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**When Others Control Your Reputation:
Outsourcing Organizational Impression Management**

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**When Others Control Your Reputation:
Outsourcing Organizational Impression Management**

by

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Dedication

This dissertation is dedicated to my wife,

Brynda Lynn Dickson.

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**When Others Control Your Reputation:
Outsourcing Organizational Impression Management**

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This study examined the relationship between the outsourcing of organizational impression management activities and the effectiveness of this work. Organizational impression management work, as defined in this study, was work that sought to improve the reputation of the organization. The study examined several possible indicators of the effectiveness of organizational impression management work: changes in reputation, the flow of key organizational resources, and the client's (outsourcer's) perceptions of outsourcing effectiveness. Data were collected on private colleges using several archival sources and a survey of chief public relations officers.

This research focused on two factors that are likely to influence outsourcing effectiveness: the nature of the task that is being outsourced and the nature of the relationship between the client and the agency (provider of outsourced services). The study hypothesized that when the task was strategic in nature, outsourcing would be less effective than completing the task internally. This hypothesis was partially supported. The study hypothesized that when the task was tactical in nature, outsourcing would be more effective than internal

completion; this hypothesis was also partially supported. The study also hypothesized that outsourcing would be more effective when there were long relationships between clients and agencies, clients used limited number of agencies simultaneously, and outsourcing intensity was low. The hypothesis for the duration of relationships between clients and agencies was supported. However, the hypotheses for the number of agency partnerships and the outsourcing intensity were generally not supported.

TABLE OF CONTENTS

List of Tables and Figures	xii
Chapter One Purpose, Contributions, and Key Definitions	1
Chapter Two Literature Review	27
Chapter Three Theory Development and Hypotheses.....	64
Chapter Four Research Methodology.....	87
Chapter Five Results.....	111
Chapter Six Conclusion and Future Research	127
Tables and Figures.....	146
Appendices	165
References	194
Vita	210

LIST OF TABLES AND FIGURES

Table 1. Summary of Hypotheses	146
Table 2. Description of Sources for Reputation Measure	147
Table 3. Dependent Variables, Measures, and Sources.....	148
Table 4. Independent Variables, Measures, and Sources	149
Table 5. Control Variables, Measures, and Sources.....	150
Table 6. Factor Analysis for Student Quality Measures.....	151
Table 7. Items Used to Assess Strategic or Tactical Use of Activities	152
Table 8. ANOVA Analysis for Strategic and Tactical Activities	153
Table 9. Descriptive Statistics and Pearson Correlation Coefficients	154
Table 10. Generalized Estimating Equations Models with Reputation Percentile Dependent Variable	156
Table 11. Generalized Estimating Equations Models with Student Quality Dependent Variable	158
Table 12. Generalized Estimating Equations Models with Percent Admitted Dependent Variable	160
Table 13. OLS Results with Perceived Effectiveness Dependent Variable	162
Table 14. Mean Number of Partners: Frequency Distribution	163
Figure 1. Diagram of Hypotheses.....	164

CHAPTER ONE

Purpose, Contributions and Key Definitions

Organizational impression management work goes by various titles. Some organizations call this type of work public relations, but other common titles include public affairs, external affairs, external communications, and corporate communications. By whatever name this work is called, it has at its core the goal of improving both the image and the reputation of the organization to different target audiences, so that they will be more likely to aid the organization in completing its goals. These targets can be either inside (Dutton and Dukerich, 1991; Dutton, Dukerich and Harquail, 1994) or outside (Elsbach, 1994; Elsbach and Sutton, 1992) of the organization. This dissertation will focus on targets outside of the organization.

The term public relations was first used in its current context in 1922 (Grunig and Hunt, 1984), and the most current directory of public relations firms lists 2900 organizations (O'Dwyer, 2001). Looking at the top 10 public relations firms for 2000, as published on O'Dwyer's website, the oldest firm, BMSG Worldwide, was founded in 1922 (odwyerpr, 2001). And taking the revenues of these same top 10 public relations firms for the year 2000, the total was \$2.5 billion (odwyerpr, 2001).

From this information, it is obvious that the outsourcing of organizational impression management work supports a large and growing population of service providers. In general, outsourcing allows firms to limit their fixed investment in

organizational impression management activities and to more easily expand or contract these activities in response to unanticipated exogenous shocks. Since which activities to retain within the organization and which to outsource is an important organizational design decision for many firms, the purpose of the proposed research is to investigate the relationship between the outsourcing of organizational impression management activities and the success of efforts to improve the reputation of the organization.

Conceptual discussions of outsourcing have suggested several situations in which outsourcing is an appropriate organizational design. Williamson (1981) argues for a transaction costs view of these decisions. He states that an organization can use the characteristics of a transaction, such as asset specificity and small numbers bargaining to assess the costs of the transaction and to determine whether a product or service should be provided within the organization's hierarchy or should be purchased in an arms length transaction in the market. Those tasks with high transaction costs should be completed within the organization and those with lower transaction costs should be arranged through a market transaction. Williamson (1991) also notes that hybrid forms that blend hierarchical and market transactions are possible.

Resource dependence theory suggests that outsourcing is an appropriate decision when the resource acquired through outsourcing is not critical to the organization and there are substitutes for the resources readily available (Pfeffer

and Salancik, 1978). Agency theory implies that outsourcing should occur for those activities where external controls will be more effective than internal controls in insuring that the agent completes the work without undue loss to the principal (Eisenhardt, 1989). Finally, institutional theory suggests that firms may attempt to gain legitimacy by imitating other firms' outsourcing practices (DiMaggio and Powell, 1983; Galaskiewicz and Wasserman, 1989; Suchman, 1995; Tolbert and Zucker, 1983).

Despite the existence of several conceptual predictions about outsourcing, there has been very little empirical research about the effectiveness of outsourcing relative to performing activities internally, particularly the outsourcing of non-manufacturing activities such as organizational impression management work. One exception is work by Ulrich and Ellison (Ulrich, 1994; Ulrich and Ellison, 1998), which discusses the outsourcing of product design. Another exception is outsourcing IT work, a literature specific to this particular type of outsourcing and focused on the technological aspects of outsourcing (see Ang and Cummings, 1997; Ang and Straub, 1998; Lacity and Willcocks, 2000; Lacity and Willcocks, 1998; Steensma and Corley, 2000 for some examples). Given that the larger agencies involved in outsourcing organizational impression management work often charge minimum monthly retainers of \$25,000, the question of outsourcing effectiveness is important to address.

The paucity of research on outsourcing effectiveness is an important gap in the literature since the decision about what will be maintained within an organization and what will be outsourced can be important to the overall effectiveness of the organization (Gulati, 1995). Moreover, the outsourcing of service activities can be extremely sensitive and hard to reverse, since the decision almost always affects the human resources of an organization. Once an organization's employees are replaced by outsourcing, it is hard to regain the trust that was present before this decision was made (Pfeffer and Baron, 1988). On the other hand, once employees are hired it is difficult to dismiss them to make way for outsourcing (Pfeffer and Baron, 1988). Thus there is a great deal of inertia to overcome when making or reversing outsourcing decisions.

There has been considerable debate about the appropriateness of outsourcing staff functions such as organizational impression management work. An argument for outsourcing organizational impression management work is that this work is often not a directly value-adding activity for the organization; in fact its impact on the profits of an organization can be difficult to measure. Thus when focusing on core competencies (Prahalad and Hamel, 1990), firms could consider outsourcing this peripheral function. On the other hand, the reputation of an organization, which is not easily copied by competitors, or completely transferable from one organization to another, can be a source of competitive advantage (Barney, 1991; Barney, 1986; Conner, 1991; Fombrun, 1996).

Consideration of this attribute of reputation may lead management to shy away from outsourcing organizational impression management work. Even if management still chooses to outsource, this consideration may lead them to selectively outsource their organizational impression management work. Thus, the question that remains unanswered in the literature is: should seemingly non-core competency services, that are a potential source of competitive advantage, be outsourced? If so, when and how? In beginning to fill this gap in the literature, I will study outsourcing of the organizational impression management function.

Purpose of the Proposed Research

In general this research takes a contingency view of outsourcing. Therefore, I am interested in under what conditions outsourcing is more or less effective, since most organizational design decisions are contingent on factors such as those that I study here. Thus, the overarching question I propose to address in this study is, how does the nature of the organizational impression management tasks that are outsourced and the nature of the relationship between the client and the agency influence the effectiveness of outsourced organizational impression management work? This study will address the following four specific research questions about the relationship between outsourcing organizational impression management and the success of these efforts:

1. How does outsourcing of strategic and tactical organizational impression management activities affect the client's reputation and the

client's perception of the effectiveness of its organizational impression management activities? Does outsourcing strategic activities have different effects than outsourcing tactical activities?

As developed in more detail in Chapter Two, strategic activities have more impact, are more complex, and are more uncertain than tactical activities. These differences have several implications for the effectiveness of outsourcing impression management work. For example, strategic activities require the transfer of firm-specific knowledge to the agency for their successful completion. Since reputation is a potential source of competitive advantage (Barney, 1991), some of this information may be proprietary in nature. The transfer of proprietary information to agencies increases their ability to engage in opportunistic behavior that may harm the client (Williamson, 1985). In addition, an extended time period usually must be allowed to elapse before an accurate evaluation of the effectiveness of strategic activities can be performed. This extended time frame increases the effects of bounded rationality because the client must collect data over a longer period of time to fully evaluate the work. Since the effects of bounded rationality increase with the greater uncertainty inherent in an extended time horizon, bounded rationality is an important limitation on the perceived effectiveness and the actual effectiveness due to actions taken in response to the early perceptions of the effectiveness of outsourcing strategic organizational impression management activities. For these reasons and others to be further

developed later, I argue that it is more difficult to outsource strategic activities effectively than to outsource tactical activities effectively.

2. How does outsourcing intensity affect the client's reputation?

As the number of activities that are outsourced to agencies increases, outsourcing intensity increases. As intensity increases, the difficulties of coordination and control increase, due to the complexity of integrating and coordinating many outsourced activities (Galbraith and Kazanjian, 1986; Lawrence and Lorsch, 1967). These coordination costs strain the interface between the client and the agencies, potentially limiting outsourcing effectiveness.

3. How does the duration of the relationship between the client and its agencies affect the client's reputation and the client's perception of the effectiveness of its organizational impression management activities?

4. How does the number of agencies used in outsourcing affect the client's reputation?

Relationship duration is an important determinant of outsourcing effectiveness because the longer that an agency and a client have worked together the more effective they become through the development of relationship specific assets (Baker, Faulkner, and Fisher, 1998). At the same time, as the number of partners increases, coordination costs increase, reducing the effectiveness of any

specific relationship maintained by the client (Galbraith, 1977; Thompson, 1967; Williamson, 1985).

In the following sections, I provide a brief overview of the theoretical foundation for these questions. I also define key terms to be used in this research and set some initial boundary conditions that define the scope of the study. Finally, I explain the potential contributions of this study to both theory and practice.

Overview of Theoretical Foundation

In addressing the questions above, I draw on multiple theoretical perspectives. The key perspectives used in this study are transaction costs economics, resource dependence theory, and population ecology, although other theories play less important roles in this research.

From a transaction costs perspective, Williamson (1985) argued that asset specificity, opportunism, uncertainty, and bounded rationality are important determinants of whether a product or service can be purchased effectively in the marketplace. Each of these four factors is likely to be present in organizational impression management work. Williamson (1985) described four different types of asset specificity: site specificity, physical asset specificity, human asset specificity, and dedicated assets. He defined asset specificity as “durable investments that are undertaken in support of particular transactions, the opportunity cost of which investments is much lower in best alternative uses or by

alternative users should the original transaction be prematurely terminated” (Williamson, 1985: 55). He also argues that when assets are specific the continuity of the relationship becomes increasingly important, and both contractual and organizational safeguards should be put in place to protect the parties to such an agreement (Williamson, 1985).

For this study, human asset specificity is the most important type. In outsourcing organizational impression management work, knowledge can be gained by the individuals involved in the work that is specific to the client organization. Williamson (1985: 96) argues that “any condition that gives rise to substantial human asset specificity—be it learning-by-doing or chronic problems of moving human assets in team configurations—favors an employment relation over autonomous contracting.” In a study of outsourcing of the pre-project planning and design phases of capital facility construction projects, researchers found that one of the largest constraints on outsourcing effectiveness reported by owner firms was the high turnover of contractor personnel (Davis-Blake et al., 1999). This type of disruption can have serious consequences for work that has been outsourced, due to a loss of productivity while new individuals are incorporated into existing relationships and trust is rebuilt with these new individuals. To further compound this difficulty, firm-specific knowledge often must be retransferred to the new personnel with all the original difficulties once again decreasing the possibility of a successful transfer of this knowledge. This

reoccurring transfer of knowledge is an important element of human asset specificity.

Opportunism is another concept from transaction cost economics that is important to this study. Williamson (1985: 47) defines opportunism as “self-interest seeking with guile,” and goes on to provide the following description: “opportunism refers to the incomplete or distorted disclosure of information, especially to calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse.” Opportunism plays an important role in this study, because while agencies are involved in organizational impression management work for the client, they may gain access to information that is of a sensitive and proprietary nature. The potential for agencies to use proprietary information to promote their own interests may reduce reputational gains from outsourced organizational impression management work. This proprietary information could be used opportunistically by the agency to further their interests in multiple ways. One example may be the use of this information to gain business from competitors of the client. Another possible risk from opportunism arises when an agency is let go from an organizational impression management project for inferior performance. In this case, to retain the quality of their own reputation, the agency may use the knowledge gained to expose details about the organization that could be damaging to its reputation. This could be done in an attempt to place the blame for termination of the relationship on the client or to divert

attention from their own failing so as to not lose additional business from current or potential future clients. Thus future opportunistic motives by agencies may reduce the gains made by the work outsourced to these agencies.

Thus, the potential costs of opportunistic acts to an organization when outsourcing organizational impression management work can be high, since knowledge important to the reputation of the organization is shared with outside agencies. Since organizations are cognizant of the potential for opportunistic behavior *ex ante*, the client may take steps to protect their interests. However in most cases, protective behavior will also limit the effectiveness of the outsourcing relationship, since these protections may limit the ability of the organizations to work together effectively. For example, personnel of the agency may only be allowed contact with identified boundary spanning personnel within the client organization. These few individuals may lack some of the information that will aid the agency in its work and may either lack the resources, especially if dealing with multiple agencies at one time, or the desire to locate the information that would be helpful to the agency. Compounding this difficulty, the agency may be unaware of the loss of information since they have so few contact points within the client organization.

Finally, uncertainty and bounded rationality play an important role in this study. Organizational impression management work can involve a great deal of uncertainty because the goal of this work is to create an image of an organization

that different constituencies will use, simultaneously with other factors, to create their perception of the organization's reputation. The possibility that the determinants of an organization's reputation can be different for different organizational constituencies increases the uncertainty associated with predicting the effects of any set of organizational impression management activities (Bromley, 1993; Freeman, 1984; Ginzel, Kramer, and Sutton, 1993).

In addition, as a perceived attribute, reputation is difficult to measure with precision (Fombrun and Shanley, 1990). Reputation is also relatively static in the short run due to its historical component (Fombrun and Shanley, 1990). This attribute of reputation extends the time frame required to accurately assess the effectiveness of organizational impression management work. Therefore, as previously described, the limitations imposed by bounded rationality increase. These greater limitations take the form of a greater likelihood that important environmental change could occur before an accurate assessment of effectiveness can be made. For example, environmental shifts can change how munificent the environment is toward the organization. This could potentially confound the effects of organizational impression management work with the effects of the changed environment. Thus decisions made to outsource under one set of environmental conditions may not be completed effectively due to a change in environmental conditions and not due to the quality of the original outsourcing decision. The risk of a change in outsourcing effectiveness through a change in

the environment that was unforeseen due to uncertainty and bounded rationality increases as the time frame between the decision to outsource and the actual completion of the outsourced work increases. This is one way in which bounded rationality and uncertainty may have a significant effect on outsourcing effectiveness.

Resource dependence theory is also important to this study. As described by Pfeffer and Salancik (1978), organizations are dependent on the environment for resources and attempt to control important resources for which there are not readily available substitutes. Important resources are those that are large in magnitude and/or are critical, or in other words they may affect the “ability of the organization to continue functioning” if they were not available for use by the organization (Pfeffer and Salancik, 1978: 46). Resource dependence theory argues that relationships are formed between partners to acquire these important resources and to control resource dependencies (Aldrich, 1979; Das and Teng, 2000a; Pfeffer and Nowack, 1976; Pfeffer and Salancik, 1978; Saxton, 1997; Thorelli, 1986). Attempts to control important resource are particularly crucial to organizational effectiveness when the dependence between the resource provider and the resource user is asymmetric.

In this study, the reputation of an organization is viewed as an important resource to the organization because it can affect almost all of its transactions. Reputation can allow an organization to charge a price premium (DeJong,

Forsythe, and Lundholm, 1985; Dranove and Shanley, 1995). Reputation can also create opportunities for organizations to partner with the best suppliers or distributors or to gain access to limited resources. Reputation is also not easily substitutable. Barney (1991: 111) argues that no substitutes exist for a resource for which there is “no strategically equivalent valuable [resource] that [is itself] either not rare or imitable.” An overall good reputation cannot be considered a unique attribute of any particular organization, but a good reputation is a resource that allows an organization to “conceive of and implement certain strategies” (Barney, 1991: 111), which will be difficult for other organizations to duplicate. This is in part because reputation takes into account the history of an organization (Fombrun and Shanley, 1990), which is not shared by other organizations. Thus if the formation of partnerships with agencies allows greater control over this important resource then outsourcing should be effective, but when the formation of relationships with agencies reduces the client’s control over their reputation, as is more likely in some relationships than others, then outsourcing should be ineffective and avoided by the client.

Finally asymmetries of dependence in an exchange are likely to be present in outsourcing relationships. Pfeffer and Salancik (1978) argue that asymmetries exist when the relationship is not of equal value to both organizations and suggest that this may occur when the organizations involved are of different sizes. Many of the relationships in this study are likely to involve significant differences in the

size of the client and the size of the agency. Asymmetry due to size differences, where either the client or the agency is significantly larger than their partner, may affect the outsourcing relationship, thereby influencing outsourcing effectiveness. This concept also applies to the number of partners used by a client for organizational impression management work. Clients that have few partners may have lower coordination costs, but may leave themselves in an unfavorable asymmetry of dependence. On the other hand, clients that maintain many partnerships may be less dependent on any one agency but may increase their coordination costs while attempting to create asymmetries in their favor. Thus this concept is important to this study and the correct balance between these forces should increase the outsourcing effectiveness of organizational impression management work.

The last theory that I briefly overview in this section is that of population ecology. This theory is not as widely used in this study, but there is one contribution made by this theory that is important to the study: structural inertia. Hannan and Freeman (1984: 151) define structural inertia as an attribute in which “the speed of reorganization is much lower than the rate at which environmental conditions change.” They go on to explain that organizations attempt to be reliable and accountable and therefore must reproduce the same structure day after day; this they argue creates structural inertia (Hannan and Freeman, 1984).

This is an important concept in this study for two reasons. First, reputation is an organizational attribute built by constituents through the use of past organizational information to predict the future of an organization (Fombrun and Shanley, 1990). Thus, maintaining reputation requires stable, consistent messages that may be difficult to consistently reproduce in outsourced relationships. In addition as mentioned previously, when changing between providing organizational impression management work inside an organization and outsourcing, structural inertia must be overcome. While overcoming structural inertia, it is likely that effectiveness will be reduced (Amburgey, Kelly, and Barnett, 1993).

Second, structural inertia is important for the arguments in this study related to relationship duration. After an interorganizational relationship is established and the firms make investments in relationship specific assets, structural attachment is created within the relationship (Baker et al., 1998). Structural inertia through this structural attachment may serve as a benefit, since it allows the relationship to be reliable and to reproduce the same structures repeatedly. However, at the same time, structural inertia makes it more difficult to end the relationship even if the original benefits have already been lost. This rigidity can decrease the long-term effectiveness of outsourcing organizational impression management work. This decrease will be most obvious in situations where changes in the environment are not matched due to structural inertia. Thus

in a setting that is relatively dynamic, structural inertia may be a liability to both the client and the agency. Additionally, the longer the relationship is maintained the greater the potential structural inertia through structural attachment and the more likely that change will be required to meet the demands of the environment. Thus structural inertia and adaptability should be kept in balance to maximize outsourcing effectiveness.

In this section I provided a brief overview of the theoretical foundation for this study. I briefly reviewed the potential contributions to this study made by transaction cost economics, resource dependence theory, and population ecology. These arguments are more fully developed later in this document.

Definitions of Key Terms

In this section, I provide brief definitions of some key terms used in this study. These definitions are conceptual in nature, and are designed to improve the understanding of the arguments within this document. The terms that I define in this section are: reputation, organizational impression management, outsourcing, clients, agencies, and perceived effectiveness of organizational impression management activities.

Reputation: In this study, multiple outcome measures will be considered. The first of these is reputation. The reputation of an organization is a perceived attribute, formed by an organization's constituencies, using multiple signals either originating from the organization or other available sources, about the quality of

its goods or services and the expectations of its actions in the future (Bromley, 1993; Fombrun, 1996; Fombrun and Shanley, 1990). Reputation takes into account the past, present, and potential future of an organization (Fombrun and Shanley, 1990). Because multiple constituencies of an organization form perceptions of reputation, it is dependent on the signals that are salient to each of its constituencies. Thus reputation will vary based on the signals used by each constituency to assess the reputation of the organization (Bromley, 1993; Fombrun, 1996; Freeman, 1984; Ginzel et al., 1993).

Organizational Impression Management: For this research organizational impression management will be defined as work that is performed with the goal of improving the organization's reputation in either the short run or the long run. Thus the work will be defined by the objective in pursuing it and activities do not need to yield results in the study period to be included in the study.

Outsourcing: Outsourcing occurs when organizations contract with individuals or organizations external to their hierarchical control to perform work for the organization. Outsourcing is widespread across many industries and is rapidly increasing (Gilley and Rasheed, 2000; Gulati and Lawrence, 1998; Hui, Davis-Blake, and Broschak, 2000). While outsourcing need not mean the replacement of internal employees, this often occurs, since many tasks that are outsourced were previously performed within the organization.

Clients: In this study, clients are defined as organizations that hire other firms to do organizational impression management work for them. Even though large organizations may internally “hire” other portions of their organizations to do work for them, such relationships will not be included in this research unless they are arms-length market transactions. This criterion will exclude most intra-organizational work. However, this will not necessarily preclude relationships where a parent organization uses an agency that has been spun off from the parent.

Agencies: In this research, agencies are defined as the organizations that are hired by clients to perform organizational impression management work. The only limitation to this definition is, as mentioned above, that an agency will only be considered as such when interacting with a client external to their organization, even if they do organizational impression management work within their own organization.

Perceived effectiveness of organizational impression management activities: Another important outcome variable for this study is the perceived effectiveness of organizational impression management activities. For this study, this is defined as whether the organizational impression management activity is perceived as being more or less effective by a representative of the client organization. The dimensions of effectiveness that I will look at are the interpersonal relationships between the employees working on a particular

activity, the effective use of funds, the completion in an appropriate amount of time of outsourced activities, and the achievement of the goals that were set for the activities. This definition does not assume that these perceptions are accurate. Decisions made by internal staff about outsourcing organizational impression management work are based on their perceptions, whether they are accurate or inaccurate. Perceptions are therefore particularly important measures of the effectiveness of outsourced organizational impression management, since the more favorable the internal perception of the outsourced organizational impression management work, the more likely it is to be continued by organization members responsible for future decisions regarding the outsourcing of organizational impression management work.

Boundary Conditions

Now that I defined some key terms to be used in this study, I point out some boundary conditions that limit the scope and generalizability of this study. The first boundary condition has to do with the enhancement of reputation. As mentioned earlier, attempts to enhance reputation can be targeted at audiences inside or outside of the client. For purposes of this research, I only consider external audiences and the effect of the outsourcing decisions on external perceptions of reputation. The partial exception to this boundary condition is that I measure the perceived effectiveness of organizational impression management work as perceived by a key individual on the client's organizational impression

management staff. However with this measure, I am not studying internal constituents' overall perceptions of reputation. This boundary condition will limit the generalizability of the results to external organizational constituencies.

The second boundary condition of this study involves the population that I will use for my data collection. The population that I will use to test my hypotheses is small and medium-sized, private colleges and universities. Any relationships that I find in this study may not be generalizable beyond this setting. The strong reliance on reputation by these private colleges and universities sets these organizations apart from organizations that are not as reliant on their reputations for continued success. Examples of situations where reputation is less important than for colleges and universities include settings in which an organization is in a monopoly or near-monopoly situation or where there is strong government support for the organizations within a particular industry. However, many organizations operate between the strong reliance of private colleges and universities on their reputations and the monopoly or government controlled situations mentioned above.

Therefore, the setting of private colleges and universities is a deliberate choice because it provides a liberal setting for testing the effects of outsourcing on reputation. This improves the chance of determining if there is any effect of outsourcing decisions on reputation, since a liberal test gives a better chance of finding an effect. Further studies can later expand the understanding of this

relationship to settings where reputation is less salient and less closely and publicly monitored. In addition, if this liberal test fails to find a relationship between outsourcing decisions and reputation it will be unlikely that further studies in settings that are less dependent on reputation will find such an effect.

Selecting only organizations in the United States also limits the external validity of this study. Although there are many reasons that this limits generalizability, one reason is that key factors affecting the persistence and formation of interorganizational relationships vary across countries. For example in studying the transaction costs of interorganizational relationships, Dyer (1996) discusses how transaction costs operate differently between Japanese and American firms. He finds that transaction costs are lower for Japanese organizations in their interorganizational relationships than for American organizations, and therefore that Japanese organizations gain benefits from hybrid forms that American organizations do not. Thus, there are cultural factors to consider in forming interorganizational relationships, and my study is limited to one cultural setting.

A final boundary condition of this research is that data are only gathered from client firms. Thus, it limits the understanding of the relationship to its effect on the reputation of the client in these outsourcing relationships. Perhaps there are different effects for the agency, but these will have to be developed in future studies.

Contributions of the Proposed Research

Contributions to Theory. This study contributes to theory by advancing the understanding of the implications of the organizational design decision to buy a specific service in the marketplace rather than generate that service within the organization. Since most of the empirical research in make or buy decisions is in a manufacturing setting (Dyer, 1996; Eccles, 1981; Gulati and Lawrence, 1998; Monteverde and Teece, 1982; Stinchcombe and Heimer, 1985; Uzzi, 1997; Uzzi, 1996) this will be a valuable extension of current theory because it is an attempt to determine if current research on the effectiveness of outsourcing relationships in production settings can generalize to service settings. This is especially important since service industries are increasingly involving a larger proportion of the economy and the workforce; therefore, it is important to determine which research done in production settings will likely generalize to service settings.

In addition, this research explores in more depth the issue of organizational impression management, which has received only limited attention in the literature (Elsbach, 1994; Elsbach and Sutton, 1992; Elsbach, Sutton, and Principe, 1998). Thus, this research is one of very few quantitative, empirical tests of the effect of organizational impression management activities on the reputation of an organization. In fact, much of the work that has been done in the area of organizational impression management up to this point is of a theoretical or qualitative nature. I am not aware of a study examining the impact of

organizational impression management activities on archival measures of reputation.

This research also determines if there is a relationship between the nature of organizational impression management outsourcing and the perceived effectiveness of organizational impression management activities. This is important for the study of these relationships and could contribute to theory by exploring how different types of activities which differ in their levels of impact, complexity, and uncertainty may affect the perception of the effectiveness of those activities, and also how interorganizational relationships of differing length and quantities may affect the perception of the effectiveness of those activities.

In addition to archival measures of reputation, two measures of the quality of incoming students are also used as dependent variables. These additional measures are important because of the extended time frame necessary to evaluate the effect of organizational impression management activities on reputation. Thus clients may make a decision to retain or discontinue use of an agency independent of the actual long-term effect of that agency's work on the reputation of the organization. This is especially likely given that many clients may not be willing or able to measure the effect of organizational impression management activities on their reputation. However, such premature decisions may lead to ineffective outsourcing of organizational impression management work. This study examines the impact of outsourcing organizational impression management work

on intermediate outcomes that clients may use when making decisions about continuing or terminating relationships.

This study also contributes to limited research on the effects of relationship duration on the effectiveness of interorganizational relationships. There have been a few studies in this area, but most of these investigate whether or not a relationship will endure, not whether a longer relationship is more effective (Baker, Faulkner, and Fisher, 1998; Broschak, 1999; Levinthal and Fichman 1988; Seabright, Levinthal, and Fichman, 1992). This study also provides similar extensions of the limited work on the effect of the number of relationships and the intensity of the outsourcing on outsourcing effectiveness. These areas have been explored in only a very limited number of early studies (Baker, 1990; Broschak and Davis-Blake, 1998; Hui, Davis-Blake, and Broschak, 2000; Uzzi, 1997).

The study also investigates the differential effects of outsourcing strategic and tactical activities. Several researchers have discussed this distinction (Chen, Smith, and Grimm, 1992; Dutton and Duncan, 1987; Dutton and Jackson, 1987; Hayes and Wheelwright, 1984; Miller and Chen, 1994; Mintzberg, 1979), but no empirical work has been done to determine what the actual effect of outsourcing these different types of tasks has on the effectiveness of outsourcing. Therefore, this study provides an empirical test of this question in one setting.

Contributions to Practice. This research contributes to practice by providing some guidelines that practitioners can use when deciding whether or not to outsource organizational impression management work. This research also provides some guidelines that practitioners can use to determine whether or not to outsource many different types of work that are not core to the organization's mission, vision, and competencies. Some examples may be human resources, government compliance programs, or purchasing. The practitioner literature often recommends outsourcing but provides little guidance beyond anecdotal evidence and case studies about how to decide which non-core activities can be outsourced to gain the greatest improvement in productivity, competitive advantage, and performance (Cross, 1995; Kiely, 1997; Lacity, Willcocks, and Feeny, 1995; Quinn, 2000; Quinn, 1999). Thus I believe that this study applies to many organizations that are considering the best option for outsourcing organizational impression management work and other similar services.

CHAPTER TWO

LITERATURE REVIEW

Within this chapter, I review streams of literature with the goal of discussing key findings about the following topics that are particularly relevant to the research proposed here: the nature of the organizational impression management activity that is outsourced, whether strategic or tactical; the nature of the relationships between client and agency specifically the duration of these relationships, the number of partners, and the outsourcing intensity; and the effectiveness of this work at improving reputation. As a first step in addressing these three topics, I show that outsourcing organizational impression management activities is likely to affect reputation. To accomplish this, I review relevant articles from both the corporate reputation literature and the outsourcing literature. Much of the literature review focuses on studies that do not specifically address outsourcing, since the study of outsourcing is a rather recent phenomenon. However, the literature reviewed can be used to assess the likely consequences of outsourcing on reputation.

Outsourcing and Reputation

To demonstrate that outsourcing of organizational impression management activities is likely to affect key determinants of reputation, I review portions of the corporate reputation literature. I then review portions of the outsourcing literature with the same purpose in mind.

Corporate Reputation

In this section on corporate reputation, I review the implications of the definition of reputation given in Chapter One. Then, I briefly review the importance of reputation to an organization and address why it is an important phenomenon to study. Finally, I review the key determinants of reputation.

Implications of the Definition of Corporate Reputation: Reputation is not an easy organizational attribute to define. Due to the intangible nature of this attribute, there is some disagreement about the details of the definition. As defined in the first chapter of this study, the reputation of an organization is a perceived attribute, formed by an organization's constituencies, using multiple signals originating from the organization, about the quality of its goods or services and the expectations of its actions in the future (Bromley, 1993; Fombrun, 1996; Fombrun and Shanley, 1990).

From this definition, it is important to point out that the reputation of an organization is a perceived attribute and not an objective measure (Fombrun and Shanley, 1990). Constituents both inside and outside of the organization may form perceptions of reputation. For the purpose of this study, I focus on external constituents such as potential members of the organization, consumers of its goods or services, and the general public. An important consequence of the perceptual nature of reputation is that the reputation of an organization can be

different for different constituents of the organization (Bromley, 1993; Freeman, 1984; Ginzel et al., 1993).

Reputation also has global expressions, in which an organization is viewed as having a reputation that is not bound by any specific events or people, and specific expressions which refer to the reputation based on a specific event or the actions of a specific person (Bromley, 1993; Carter, 1997; Theus, 1993). An example of a global expression of reputation is the name recognition carried by a slogan. For example in Texas there is a common slogan: “Don’t mess with Texas.” This has little to do with any specific event, person, or place in Texas, but is an expression of an overall reputation. An example of a more specific reputation is the reputation that a particular instructor at a school has for being an excellent teacher. This is part of the reputation of the school within which the instructor works, but if this instructor were to leave the school, the overall reputation of the school, in most cases, would not be greatly affected.

Especially important to the definition of reputation for this study is that reputation is formed from both intrinsic and extrinsic referents (Perrow, 1961; Thompson, 1967). Perrow (1961: 336) describes intrinsic referents as “fundamental to official purposes of the organization and ... regarded by the organization as essential to maintaining standards of production set forth in official goals.” Some examples of intrinsic referents are the quality of faculty research, the quality of education received by a student, or a particular product

line; in other words, any portion of an organization that is important for meeting organizational goals and purposes can be an intrinsic referent (Perrow, 1961; Thompson, 1967).

On the other hand, Perrow (1961: 336) describes extrinsic referents as “not essential to maintaining production standards though they may be vital in insuring acceptance and resources.” Thus Perrow (1961) gives examples of extrinsic referents such as its charitable foundations, physical appearance of facilities, and the organization’s political leanings. Thompson (1967) uses the term “measures” in place of “referents” in his discussion of the assessment of organizations and gives the following examples of extrinsic measures: accreditation evaluations, testimonials about value, fellowships and grants awarded, and placement statistics. From this discussion it can be argued that the work of organizational impression management falls almost always into the area of providing, creating, and maintaining extrinsic referents of reputation.

This distinction is important, because these two types of referents differ in their attributes. Extrinsic referents are designed to be understandable to constituents so that they can improve public perception or even reverse a period of unfavorable reputation (Perrow, 1961). Thompson (1967) describes the advantage of extrinsic referents as being that they can be used selectively, such that only referents that give positive information about the organization can be

presented; referents that give negative information can be omitted from any reporting.

In contrast to extrinsic referents, constituents cannot always accurately evaluate intrinsic referents either due to a lack of required knowledge or a lack of information necessary to do so (Perrow, 1961; Thompson, 1967). Intrinsic referents are central or core to an organization and are often buffered from the environment (Thompson, 1967). This buffering may improve efficiency, but it also may serve the function of concealing information about the true nature and status of the technical core. Thus, it is not always in the organization's best interest to rely on intrinsic referents to improve reputation either because they cannot or should not be understood by external constituents.

Thus extrinsic referents are utilized to provide information to constituents who for various reasons cannot or should not judge intrinsic referents (Perrow, 1961; Thompson, 1967). One way in which extrinsic referents provide information about the reputation of the organization to its constituents is through organizational impression management activities (Elsbach, 1994; Elsbach and Sutton, 1992; Elsbach et al., 1998; Fombrun, 1996; Fombrun and Shanley, 1990).

Importance of Corporate Reputation: Reputation is important to organizations for a variety of reasons. The literature identifies several areas in which reputation improves the effectiveness of an organization. Thompson (1967) refers to prestige or reputation as a way to gain power over the

environment without making commitments or yielding power. Perrow (1961) argues the following benefits from a high level of prestige or reputation: better applicants for positions, legislative influence, informal community power, and a greater pool of clients, customers, donors, and investors.

Additionally, researchers have found that a positive reputation can lead to the ability to charge a price premium (DeJong et al., 1985; Dranove and Shanley, 1995). This may be in part because, as discussed by economists, quality must be maintained for reputation to remain positive (Allen, 1984; Rogerson, 1983). Rogerson (1983: 508) describes this process by stating that “owing to the effect of reputation, high quality firms have more customers, because they have fewer dissatisfied customers who leave, and word-of-mouth advertising results in more arrivals.” Increased profit margins are important to organizations and attributes that lead to higher profit margins are one important area for the study of organizations.

Additionally, a number of studies have found that reputation is more important when information about the true state of the organization is incomplete, or when consumers cannot differentiate between high and low quality before purchasing a good or service (Fudenberg and Levine, 1992; Kreps and Wilson, 1982; Milgrom and Roberts, 1982; Weigelt and Camerer, 1988). For those organizations where the technical core is not open to public scrutiny, reputation is more important than for organizations for which information about the technical

core is available and understandable, and therefore reputation is an important attribute to consider when studying these types of organizations.

Reputation is also important to an organization because it is an organizational resource that due to its social complexity is imperfectly imitable (Barney, 1991; Hillman and Keim, 2001). For this reason, Barney (1991) states that it is a potential source of sustained competitive advantage (see also Fombrun and Shanley, 1990). Thus, reputation is obviously important to organizations and also important to the study of organizations.

Finally, research has suggested that reputation can be a potential measure of the performance of an organization, although researchers do not agree on how to best measure reputation (Brown and Perry, 1994; Chakravarthy, 1986; Fryxell and Wang, 1994; Ruf, Muralidhar, and Paul 1998). Performance is also discussed in the literature as a determinant of corporate reputation (Hammond and Slocum, 1996; McGuire, Sundgren, and Schneeweis, 1988; Peteraf and Shanley, 1997), and therefore the relationship between reputation and performance is recursive in nature. Thus as a potential indicator of performance, reputation is indeed important to organizations and their study. From the arguments in this section, I argue that reputation is important to organizations and the study of organizations.

Determinants of Reputation: As mentioned above in the definition of reputation, determinants of reputation come from both intrinsic and extrinsic sources. Researchers have more specifically broken down these sources into

signals that constituents use to determine their perception of the reputation of an organization. Researchers have not been able to agree on the exact categories or the relative importance of such signals (Dollinger, Golden, and Saxton, 1997; Fombrun and Shanley, 1990; Sobol and Farrelly, 1988). However in their article, Fombrun and Shanley (1990) describe the following four types of reputation signals: market, accounting, institutional, and strategy.

Market signals are publicly available indicators that external constituents use to judge the overall performance of an organization. These signals include the activities, results, and prospects of an organization. Fombrun and Shanley (1990) propose that high performance, low risk (e.g., a firm's beta coefficient), and low dividends (indicating high growth potential) are market signals that will lead to increased reputation. Another example of a market signal is the quality of an organization's products. As mentioned previously, quality must remain constant for reputation to be maintained (Allen, 1984; Rogerson, 1983). Researchers have also argued that pricing and costs can serve as indicators of quality and thus determinants of reputation (Hammond and Slocum, 1996; Weigelt and Camerer, 1988). Newsletters to shareholders are one example of an organizational impression management activity that might provide market signals to an external constituency (Russ, 1991).

One market signal that has been used in studies of reputation is *Fortune* magazine's most admired lists (Fombrun and Shanley, 1990). Although not all

researchers agree on the usefulness of *Fortune* magazine's list as a measure of reputation, there is agreement that it is correlated highly with financial performance (Brown and Perry, 1994; Fombrun and Shanley, 1990; Fryxell and Wang, 1994; Hammond and Slocum, 1996).

Accounting signals are made up of figures reported on balance sheets and income statements and their accompanying ratio calculations. These signals are closely tied to market signals. However, they are more historical in nature than the current performance of an organization. The importance of positive accounting data is obvious when observing the manipulations that are regularly undertaken by organizations to present the best quarterly or annual results possible (Fombrun and Shanley, 1990).

Institutional signals are attributes of the organization that project the nature of the organization to external constituents. Fombrun and Shanley (1990) examined four types of institutional signals: institutional ownership, social responsibility, media visibility, and firm size. Dollinger and colleagues (1997) examined the effect of one institutional signal, the reputation of an organization's management, on decisions to enter into joint ventures. They found that a positive reputation of an organization's management was one of the most important predictive factors increasing the probability of being chosen as a joint venture partner. Examples of organizational impression management activities designed

to use institutional signals are charitable donations and selecting “celebrity” or “star” directors (Weigelt and Camerer, 1988).

Strategy signals are publicly available information about management’s choices of business and corporate strategies. Fombrun and Shanley (1990) examined two strategy signals: differentiation and diversification posture. Differentiation, as conceptually defined by Fombrun and Shanley (1990), is the pattern of resource allocations across functional areas. Diversification posture, or the mix of related and unrelated businesses in which an organization was involved, affected reputation through increased reputation for related diversification and reduced reputation for unrelated diversification (Fombrun and Shanley, 1990). These are only two examples of strategic decisions that when communicated to constituents may affect the reputation of an organization. Examples of organizational impression management activities that primarily use strategy signals are CEO speeches, and alliances with organizations possessing higher reputations (Ferguson, Deephouse, and Ferguson, 2000; Ginzel et al., 1993; Peteraf and Shanley, 1997; Stuart, 2000).

Organizations can affect each of these four types of signals through the use of impression management activities. In addition to the activities mentioned above, some activities, such as press releases, annual reports, and media story placements regularly provide more than one of the four types of signals (Bromley, 1993; Carter, 1997; Deephouse, 2000; Ferguson et al., 2000; Fombrun, 1996;

Ginzel et al., 1993). A limited number of studies have begun to investigate the overall impact of the use of organizational impression management activities more completely. Elsbach (1994) described the use of organizational impression management to manage organizational legitimacy after controversial events in the cattle industry. In her study, organizational impression management was used to combat attacks on legitimacy and to improve institutional signals. Elsbach and Sutton (1992) similarly showed how organizational impression management affected legitimacy in social movements whose members were attributed with participation in illegitimate actions. Finally, Elsbach and colleagues (1998) demonstrated how organizational impression management could be used to anticipate reactions of constituents in the area of hospital billing for the purpose of eliminating or reducing challenges from patients. Institutional, market, and accounting signals were manipulated in their study. By participating in anticipatory organizational impression management activities to reduce challenges to hospital billing, organizations were able to improve the future financial performance of the hospital.

In their study, Elsbach and colleagues (1998) also mention the importance of being perceived as sincere and subtly using organizational impression management. Other researchers have also discussed that the use of organizational impression management activities may have a negative effect if the constituents view the activities as “protesting too much” (Ashforth and Gibbs, 1990). Thus

reputation can be enhanced or degraded by organizational impression management activities.

Outsourcing

In this section, I review the implications of the definition of outsourcing given in Chapter One. Then I briefly review some of the consequences of outsourcing. Finally, I address how consequences of outsourcing are likely to affect reputation.

Implications of the Definition of Outsourcing: As mentioned in Chapter One, outsourcing occurs when organizations contract with individuals or organizations external to their hierarchical control to perform work for the organization. It has become very common in some settings, for example offshore oil production (Stinchcombe and Heimer, 1985), garment manufacturing (Uzzi, 1996; Uzzi, 1997), pre-project planning and design phases of capital facility construction projects (Davis-Blake et al., 1999; Gibson et al., 1998), and residential construction (Eccles, 1981). However, even though outsourcing is being widely practiced there is limited empirical research about its determinants and consequences.

Consequences of Outsourcing: Research has proposed several different consequences of outsourcing. Some of these are generally viewed as beneficial to an organization, while others are viewed as detrimental. The overall evidence from research is mixed on this point. However, researchers agree that proper

decisions regarding the use of outsourcing are important to developing competitive advantage (Matusik and Hill, 1998; Quinn, 1992). Some researchers have gone so far to argue that outsourcing decisions can be a factor in organizational survival (Uzzi, 1996). In the automobile industry, researchers have found “significant differentials in cost, quality, and new product development across automotive manufacturers that are driven primarily by the extent to which they outsource and the nature of those relationships” (Gulati, 1998: 310).

The first potential consequence of outsourcing reviewed here is that outsourcing can lower the costs incurred by an organization in completing a particular task. This consequence has received more attention in the literature than others. Lower costs usually take the form of a reduction in fixed costs and a lower break-even point (Gilley and Rasheed, 2000). They can also be realized through reduced investment in physical assets (Bettis, Bradley, and Hamel, 1992). Reduced investment in physical assets can decrease organizational commitment that might develop due to purchases of expensive physical assets; such purchases have been documented as one source of exit barriers that decrease the flexibility of future decisions. (Harrigan, 1985, 1980).

However, lower costs often take the form of a reduction in the number of employees within the client organization. This may result from a strategic decision to increase the flexibility of human resources (Pfeffer and Baron, 1988; Harrison and Kelley, 1993). For example, organizations may recognize

environmental forces that will limit their ability to control demand for their products, and to limit the potential losses associated with the psychological (Brockner, Davy, and Carter, 1985) and financial costs of downsizing to the organization, they outsource the aspects of production that are most vulnerable to a reduction in demand. Outsourcing may also be in response to prior downsizing and its accompanying loss of manpower and technical knowledge (Davis-Blake et al., 2001; Gibson and Ryan, 2000). For example, after an organization completes a round of downsizing, managers within the organization realize that critical knowledge for a production process has been lost. Outsourcing is used to restore this knowledge to the organization on an as-needed basis. Whether outsourcing is engaged in proactively or reactively, this type of use of outsourcing allows an organization to meet changes in product demand (Mangum, Mayall, and Nelson, 1985; Von Hippel et al., 1997), and to fulfill the needs of non-recurring projects (Abraham, 1990). In addition outsourcing of human resources allows the organization to import knowledge and skills that are too expensive to maintain within the organization (Abraham, 1990; Kochan et al., 1994).

A second benefit of outsourcing that has been discussed in the literature is that it allows an organization to focus more of its resources on its core competencies (Dess et al., 1995; Quinn, 1992; Venkatraman, 1989). This ability to contract for goods and services from organizations that specialize in them may

improve the quality of goods and services received due to competition among suppliers (Kotabe and Murray, 1990).

A third benefit of outsourcing is that it allows the organization to spread its risk to other organizations (Quinn, 1992). For example, many organizations desire to use new technology with a minimal investment (Gilley and Rasheed, 2000), because new technology is a potential risk to organizations (Henderson, 1993; Mitchell, 1989). At times those who adopt new technologies reap benefits from early adoption, but many new technologies fail and the costs for organizations that are invested in these can be large. Thus through outsourcing, an organization can have a limited stake in a new technology that can be increased or decreased with smaller losses than would have been incurred had the organization directly invested in the technology.

A final benefit discussed in the literature is that outsourcing can provide access to industry knowledge, which can be integrated with current organizational knowledge to create new knowledge within an organization (Matusik and Hill, 1998). This new knowledge can be valuable to an organization and many increase its competitive advantage. However as will be discussed below, knowledge transfer is often reciprocal. Knowledge transfer is also more difficult than often assumed (Szulanski, 2000), and there are potential costs to knowledge transfer. Knowledge that is proprietary or tacit creates the greatest challenges to the successful outsourcing of these tasks. In partial support of this argument,

Kogut and Zander (1993) found that less codifiable knowledge was more likely to be transferred to wholly owned operations rather than to other interorganizational partners.

Even though much of the research highlights the benefits of outsourcing, researchers are not blind to the potential costs of this practice. Among the costs that have been described in the literature are losses of competitiveness due to outsourcing knowledge-intensive tasks. From the literature, tasks of this type seem to be particularly ill suited to outsourcing. For example, Pisano (1990) argued that small numbers bargaining hazards in R&D, due to the difficulty in transferring tacit knowledge, led successful organizations to internalize this activity. In a study of entrepreneurial organizations in the computer industry, Mosakowski (1991) found that organizations that outsourced R&D had lower subsequent performance than organizations that did not do so. She also found that the greater the intensity of the R&D work done by an organization the more performance decreased after outsourcing and hypothesized that this was due to the difficulties in outsourcing this knowledge-intensive activity (Mosakowski, 1991). Thus from these studies we learn that especially tasks that have high firm-specific or tacit knowledge requirements and are performed regularly in an organization can result in a reduction in performance when outsourced.

Additional evidence of problems when outsourcing knowledge-intensive work was found in a study of the pre-project planning and design phases of capital

facility projects. In this study, knowledge-intensive work that had the attribute of temporal interdependence between tasks was found to increase budget and schedule overruns as outsourcing intensity increased (Hui et al., 2000). Other research in this setting found that when outsourced employees took the place of internal staff, organizations lost organizational knowledge of technical details, social network ties that were important sources of knowledge, and project process knowledge (Davis-Blake et al., 2001). To further implicate the outsourcing of knowledge-intensive activities as ineffective, researchers have also suggested that outsourcing may shift knowledge from the focal organization to its outsourcing partners, thus reducing competitive advantage (Davis-Blake et al., 2001; Bettis et al., 1992). Another potential cost of outsourcing knowledge-intensive work is that an outsourcing partner may gain enough knowledge to begin directly competing with an organization in its own markets and products (Prahalad and Hamel, 1990; Willard and Savara, 1988).

A second potential cost of outsourcing involves conflicts between the organizations involved in the outsourcing relationship. One level at which this can occur is through an increased possibility of conflicts due to differences in status and unclear relationships between employees of the organization and employees of its outsourcing partners (Broschak and Davis-Blake, 1998; Geary, 1992; Hui et al., 2000; Smith, 1994). Conflict can also occur if the cultures of the organization and its partners are significantly different. Researchers have argued

that integrating cultures can be very difficult and disruptive to an organization (Schein, 1992; Trice and Beyer, 1993). These difficulties and conflicts can weaken, neutralize, or overcome potential benefits from outsourcing.

A final potential cost of outsourcing is related to the allocation of overhead. As more of the organization is replaced by outsourcing, the overhead of the organization is allocated to fewer and fewer remaining units within an organization. Since the overhead is allocated to fewer units, each unit receives a greater portion and can then artificially appear to be a good target for additional outsourcing (Bettis et al., 1992; Gilley and Rasheed, 2000). Such a cycle can be destructive to an organization, since outsourcing decisions are not easily reversed.

Outsourcing Consequences and Reputation Determinants: As discussed above, outsourcing can affect costs, quality, innovation, organizational knowledge, competitive advantage, interpersonal conflict, and even organizational survival (Bettis et al., 1992; Broschak and Davis-Blake, 1998; Davis Blake et al., 2001; Gulati, 1995; Matusik and Hill, 1998; Quinn, 1992; Teece, 1987; Uzzi, 1996). All of these consequences of outsourcing can affect the reputation of an organization. In fact in many cases the consequences of outsourcing are the same as the determinants of reputation. I develop a couple of these arguments in more detail below.

The list of consequences of outsourcing above includes many items that affect organizational performance. From the review of the literature on

reputation, I have established that financial performance is an important determinant of reputation (Hammond and Slocum, 1996). Therefore any of the items listed above that could affect performance could have an effect on reputation as well. For example deterioration in competitive advantage can effect reputation, since an organization that loses competitive advantage is also likely to experience deteriorating financial performance. This deteriorating financial performance will affect the accounting signals that constituents use to determine the reputation of the organization (Fombrum and Shanley, 1990).

Organizational knowledge and innovation have been found to affect performance as well (Abernathy and Clark, 1985; Henderson and Clark, 1990; March, 1991; Porter, 1985; Teece, 1986), and thus a change in these areas is also likely to affect reputation. Additionally, outsourcing may affect the quality of the goods or services produced by an organization (Kotabe and Murray, 1990); therefore, it is likely to affect the organization's reputation, since this is an important determinant of reputation (Allen, 1984; Rogerson, 1983). These consequences of outsourcing can affect the reputation through changes in market signals that are important determinants of reputation (Fombrum and Shanley, 1990).

Conflict between client and agency employees can also affect reputation. A positive human resources reputation, as cited by an external source such as a magazine ranking, has been found to have a positive effect on the performance of

an organization (Hannon and Milkovich, 1996). If outsourcing offsets a positive human resources reputation by introducing sources of unresolved conflict between client and agency employees, then benefits from these practices are likely to be lost and the human resources reputation is likely to suffer, which may affect the overall reputation of the organization. This is one example of a change in an institutional signal, which was mentioned as an important determinant of outsourcing above (Fombrum and Shanley, 1990). In addition, partnering with an agency that possesses a reputation for partnering with only high status clients or environmentally friendly clients would affect the institutional signals that constituents use to determine the reputation of an organization.

Finally, the overall level of outsourcing that an organization utilizes or the types of activities that an organization chooses to outsource and what they retain internally can affect strategy signals. These organizational design decisions affect the determinants of reputation through strategy signals, which are an important determinant that constituents use to determine the reputation of an organization (Fombrum and Shanley, 1990).

One of the reasons that evidence for the consequences of outsourcing may be mixed is that the consequences of outsourcing are contingent on its management and organization. In the next section, I review two contingencies that may influence the effectiveness of outsourcing efforts. The first area is the nature of the work that is outsourced. In discussing this area, I focus on the

difference between strategic and tactical activities. The second area is the nature of the relationship between the client and the agency. This area reviews the literature on the effectiveness of an interorganizational relationship based on the duration of a relationship and the number of simultaneous partnerships that a client has.

Nature of the work

The effect of the nature of the work on the outcome of that work has been the source of much study in the literature. In particular, many researchers have discussed the distinction between strategic and tactical activities and their differential effects on organizational performance and survival.

Strategic vs. Tactical Activities

Whether an activity is strategic or tactical is of great importance to an organization. Strategic activities have generally been viewed as being more important to the organization and having a greater impact on it and on its environment. Strategic activities have also been labeled as being more proactive in nature. On the other hand, tactical activities have been viewed as being less important and more routine and day-to-day for an organization. They often have very little impact on the organization's environment and may be labeled as reactive in nature. These differences will be more fully developed in the following review of the literature about this important distinction.

While there is no clear, agreed upon definition of this distinction, researchers have discussed several different defining attributes. Another important note to preface this discussion is that the authors cited in this section may be referring to actions, activities, tasks, or issues. In developing the conceptual distinction between strategic and tactical for the purpose of this study, I do not treat these as different, even though I recognize that in finer-grained analyses there are differences.

Dutton and Jackson (1987) describe one of the reasons that a definition for this distinction has been difficult to determine, when they argue that a strategic issue is not inherently imbued with meaning and thus may be interpreted differently by different organizations or individuals. Thus what might be considered strategic by one organization could be considered tactical by another. One important consideration in categorizing strategic and tactical issues is determining which attributes are salient and meaningful in making this distinction (Dutton and Jackson, 1987). Keeping this in mind, there are some suggestions set forth in the literature to categorize a particular issue as strategic or tactical in nature. For this review, I address the following three key attributes that differentiate between strategic and tactical activities: impact, complexity, and uncertainty.

Impact. The first attribute that separates strategic and tactical activities is the impact on the organization and its environment. Researchers have simply

stated that strategic activities have greater impact on the organization than tactical activities (Hayes and Wheelwright, 1984). Strategic activities have also been generally described as larger in scope than tactical activities (Galbraith and Kazanjian, 1986; Hayes and Wheelwright, 1984). In fact, Mitroff and Emshoff (1979:1) state that strategic issues impact “nearly every aspect of an organization.”

However, impact occurs on many dimensions. The first of these is described by Dutton and Duncan (1987: 280), when they define strategic issues as those “which have the potential to influence the organization’s current or future strategy.” Thus strategic activities can impact the strategy of the organization (King, 1982). Researchers have also described another dimension on which strategic activities impact an organization when they argue that they require more time to complete than tactical activities (Ansoff, 1980; Hayes and Wheelwright, 1984; Mintzberg, 1979). Thus, the impact of a strategic activity occurs over a longer period of time than a tactical activity. All things being equal an activity with a longer duration is likely to impact the organization more than an activity with a shorter duration. A truly strategic activity is not merely a response to management fashion (Abrahamson, 1996), but a long-term commitment to a course of action, and as such it will not merely fade away. Another dimension of the impact of strategic activities is that they involve many people and other resources of the organization (Dutton, Fahey, and Narayanan, 1983; Miller and

Chen, 1994; Mintzberg, 1979; Mintzberg, Raisinghani, and Theoret, 1976; Mitroff and Emshoff, 1979).

Researchers also describe the impact of strategic activities as being disruptive of the status quo. Disruption due to strategic activities has been described as being likely to cause controversy, requiring large-scale change on multiple organizational dimensions, involving opportunity costs for other alternatives, changing current power structures, rejecting parts of the old culture, and departing from industry norms (Galbraith and Kazanjian, 1986; Hayes and Wheelwright, 1984; King, 1982; Miller and Chen, 1994). In a related dimension of impact, strategic activities are also described as impacting an organization through the creation of new systems and structures within the organization (Miller and Chen, 1994). Researchers describe this dimension in various ways, such as setting off a wave of other activities in support of the central strategic activity, establishing new management systems, and setting precedents for future decisions (Galbraith and Kazanjian, 1986; Mintzberg, 1979; Mintzberg et al., 1976).

Tactical activities on the other hand are described as having less impact than strategic activities because they require only minor, routine, relatively short-term actions that involve fewer resources and are relatively easier to complete without significantly changing current policies (Chen et al., 1992; Miller and Chen, 1994). These activities also can usually be undertaken with changes to process and do not require structural changes in an organization that might change

the distribution of rewards or power within the organization (Chen et al., 1992; Miller and Chen, 1994).

Complexity. The second attribute of strategic tasks that I will address is the level of complexity inherent in these tasks. Organizational researchers propose that strategic tasks are usually novel, complex, and open-ended; involve multiple sequential and supportive decisions; and require a recursive process that is discontinuous, extended, and dynamic (Hayes and Wheelwright, 1984; Mintzberg et al., 1976). Mitroff and Emshoff (1979:1) similarly describe this type of activity as involving “complex mixtures of highly interdependent important problems that by definition cannot be formulated, let alone solved, independently of one another.” Mintzberg (1979) adds that strategic activities are not routine or programmed and are high in complexity.

On the other hand, researchers have described tactical activities in very different terms than strategic activities. For example, tactical activities are described as having relatively limited options, fairly well understood criteria, a lot of precedent, and having limited consequences for wrong decisions (Parry, 1994). Tactical activities often involve routine operating decisions that are easier to define precisely and analyze quantitatively (Mintzberg et al., 1976).

Uncertainty. Tactical activities are also described as being undertaken to correct a situation that has already occurred, an area of low uncertainty, while strategic activities are taken to plan a future course into unknown territory (Parry,

1994). Chen and colleagues (1992) also argue that tactical activities have lower levels of uncertainty and require fewer resources. Strategic activities, on the other hand, are described by Dutton and colleagues (1983: 308) as “likely to be broad, diffuse, and ill-specified,” especially in their early stages. Chen and colleagues (1992) found that tactical activities are easier for competitors to respond to because they are easier to understand. Thus, according to their findings, a greater number of competitors may respond to a tactical activity, and competitors may respond more quickly than to a strategic activity (Chen et al., 1992). The delayed response to strategic activities is both suggestive of and increases the uncertainty associated with these activities.

Strategic vs. Tactical and Impression Management. From the above discussion it is obvious that there is a long-standing tradition of differentiating between the strategic and the tactical. One specific description of this difference is important for the current study because it was presented in the impression management literature. Tedeschi and Melburg (1984) define strategic impression management activities as seeking to develop long-term benefits to the individual or organization. On the other hand, they describe tactical impression management activities as seeking to accomplish short-term and clear objectives. This description does not imply that the objectives of strategic organizational impression management activities are not clear, only that those of tactical organizational impression management activities involve less uncertainty and

bounded rationality plays a more limited role due to their more limited scope and shorter time horizons.

Interorganizational relationships

How the interorganizational relationship affects the success of outsourced work is the next issue addressed in this literature review. Several factors may affect the success of an interorganizational relationship, and this general issue has been the focus of many studies. For this study, I focus on two of these factors: the duration of the interorganizational relationship and the number of partners that an organization maintains simultaneously. I selected these two factors because theory suggests that they play an important role in outsourcing. They also have not been tested extensively and so there is need for additional empirical work. I review these two factors to determine how the nature of the relationship between two organizations in these two areas can affect the success or failure of the work that they do together.

Duration of Interorganizational Relationship

The first area that I review is that of the duration of the relationship between two organizations and the effect of duration on the ability of the organizations to effectively work together. Much of the work in this area is aimed at predicting the determinants of relationship duration. Thus in some cases, it is necessary to speculate about the impact of duration on the effectiveness of interorganizational relationships based on the findings from studies of the

determinants of duration. Three attributes of interorganizational relationships that change with duration influence the effectiveness of these relationships: relationship-specific investments, embeddedness, and structural attachment.

Relationship-Specific Investments. Williamson (1981; 1985) argued that organizations involved in ongoing interorganizational relationships make investments that are specialized to the relationship. This form of asset specificity tends to increase the duration of the relationship because these investments lose all or most of their value when transferred to another relationship. This is similar to the effects of sunk costs or exit barriers (Cash and Konsynski, 1985; Harrigan, 1985, 1980; Rosenbaum and Lamort, 1992). Once relationship specific assets are developed, their most effective use is in the interorganizational relationship in which they were developed.

Das and Teng (2000b) argue that a tension exists between a short-term, exploitive orientation and a long-term, investing orientation. Therefore the development of relationship specific assets increases the likelihood that organizations will value the relationship, since they have entered the long-term, investing orientation. Research has found that partners in an interorganizational relationship will only make the relationship-specific investments that are necessary to create a successful relationship when some guarantee of a longer duration for the relationship exists (Joskow, 1987). In addition, researchers have suggested that only when future interactions are likely will opportunistic behavior

be minimized (Axelrod, 1984; Heide and Miner, 1992). Thus, longer duration has the potential of increasing investments in the relationship and decreasing opportunistic behavior and thus potentially increasing effectiveness. Uzzi (1997, 1996) proposed that long-term relationships were beneficial to both manufacturers and suppliers and improved information sharing and joint problem solving. Thus, investment in relationship specific assets can decrease coordination and control costs and improve interorganizational effectiveness.

The effectiveness of interorganizational relationships of longer duration has led researchers to coin terms indicating their similarities to activities performed within an organizational hierarchy. For example, interorganizational relationships of long duration have been called “quasi-firms” in the Massachusetts home building industry (Eccles, 1981). Researchers have also referred to this form of interorganizational form as “vertical quasi-integration” in settings where there are large buyers and small sellers (Blois, 1972; Diamantopoulos, 1987).

Embeddedness. The second perspective that explains the role that duration plays in the effectiveness of interorganizational relationships is the sociological perspective of embeddedness. Granovetter’s (1985) argument is the best known and states that both social and economic factors determine the effectiveness of interorganizational relationships. However this argument predates his contribution. While studying businesses in Wisconsin, Macaulay (1963) found that they were not consistent in enforcing the terms of the contract,

nor did they always refer to the contract to settle disputes. In many cases, norms of exchange, good faith between firms, interpersonal relationships, and a desire for the continuation of the relationship took the place of contractual exchanges, thus potentially increasing the effectiveness of the relationship. One of the early writers on boundary-spanning functions suggested that one of the requirements of interorganizational relationships was a role that interacted across the boundaries of the organizations (Adams, 1976). He argued that a boundary role person (BRP) developed relationships with the BRPs in the other organizations that he or she interacted with. One of the goals of these relationships was to increase the effectiveness of future transactions.

As mentioned above, Granovetter (1985) offered the most recognized argument for the importance of social ties between organizational actors. He argued that the social ties in which interorganizational relationships are embedded facilitate the development of trust and reduce opportunism. For this reason, many interorganizational relationships continue over time. Parkhe (1993) also discussed the importance of a history of trust in partnerships between organizations. In addition, these long-term relationships allow for easier resolution of any disagreements that occur between the organizations much as Macaulay (1963) found years earlier.

Researchers have found significant empirical support for the embeddedness argument. For example, in a study of ties between investment

banks and corporations, Baker (1990) found that most corporations had a core group of investment banks that they relied on regularly. These corporations used shorter relationships, but they also developed trust in a few partners and reemployed them repeatedly over time. Levinthal and Fichman (1988) found non-monotonic, inverted U-shaped duration dependence in the failure of auditor-client relationships. This relationship showed that early on relationships were more likely to dissolve, but that with time the likelihood of relationship dissolution was reduced. In advertising agency-client relationships, Baker and colleagues (1998) found this same pattern with a peak around eleven years duration. Embeddedness arguments may explain the downturn in the inverted-U shaped relationship through the mechanism of the trust formed in embedded ties, which acts as a substitute for more formal forms of coordination between organizations and can reduce the costs of coordination (Macaulay, 1963; Ring and Van de Ven, 1994, 1992).

The presence of this interorganizational trust in a current relationship raises the costs of establishing a new relationship (Broschak, 1999), which opens the possibility of less effective relationships persisting over time. At some point, the effectiveness of the relationship may deteriorate to a level at which the costs of establishing a new relationship are less than the costs associated with maintaining the current relationship. Das and Teng (2000b) suggest that failure of a relationship may occur when too much emphasis is placed on relationship

building and short-term performance is ignored. Similarly, Uzzi (1997) found that overembeddedness was harmful to organizational performance.

Research about the formation of interpersonal relationships across organizational boundaries also supports the embeddedness argument (Adams, 1976; Granovetter, 1985). Interpersonal relationships become more likely the longer the duration of an interorganizational relationship. In fact, a recent study found that attachment between boundary spanners increased with the length of the tenure overlap (Luo, 2001). Another study suggested that the longer the boundary-spanning personnel were in their positions in both organizations, the less likely the relationship between the organizations was to dissolve (Seabright et al., 1992). In a recent study of advertising executives, Broschak (1999) also found support for this effect. As a potential explanation for this effect, Uzzi (1996) proposed that embedded ties increased interorganizational trust. When boundary spanning interpersonal relationships are effective, they can facilitate the creation and maintenance of effective interorganizational relationships. In fact, Broschak (1999) found that some of these relationships were so important that clients moved with an account executive from agency to agency. This finding shows that interpersonal relationships are important to facilitating exchange between organizations. These ties increased the survival likelihood of the organization involved in them and possibly the effectiveness of the organizations (Uzzi, 1997, 1996).

Structural Attachment. In combining the transaction cost and embeddedness arguments, Baker and colleagues (1998) argued that interorganizational relationships persisted because of a structural attachment between the organizations. Structural attachment includes both the transaction cost argument of relationship-specific assets and the trust argument of embeddedness. The theory behind structural attachment suggests that as relationships endure, the investments and embeddedness that have developed takes hold within the actual structures of the organizations (Baker et al., 1998). This may occur through shared software and hardware systems that influence future asset acquisition or relationships that give individuals positions of greater power and influence over decision-making within both organizations.

Research has found support for both a transaction cost argument and a socially embedded argument, and researchers suggest that studies that only consider one or the other are incomplete in their understanding (Gulati, 1995; Saxton, 1997). Other researchers have also argued that interorganizational relationships become structurally embedded in organizations through institutional processes (Ring and Van de Ven, 1994; Zucker, 1977). A recent study found that goal congruence between organizational partners was an important determinant of increased attachment between the organizations (Luo, 2001).

Number of Partners

The second area covered in this literature review of the interorganizational relationship is the effect of the number of partners involved in the relationship on the success of the relationship in accomplishing its objectives. Uzzi (1997) found that at some point additional relationships decreased the firm's chance of survival. Thus he found that a large number of relationships could decrease the effectiveness of interorganizational relationships at enhancing organizational performance. I review the following three attributes of the number of partners that influence the effectiveness of interorganizational relationships: coordination costs, competition, and relationship-specific investments.

Coordination Costs. As the number of partners increases, coordination costs also increase. Transaction costs economics predicts that an increase in the number of partners, will lead to an increase in the transaction costs and a decrease in the performance of the relationships (Williamson, 1985). This is due to the fact that with additional resources and especially additional partners that are independent in their operation from one another but potentially interdependent in their effect on the organization comes increased coordination costs (Galbraith, 1977). This increase in the complexity of the maintenance of the relationships can decrease the performance and effectiveness of the relationships (Thompson, 1967).

In a study of corporations and investment banks, Podolny (1994) found that conditions of high uncertainty and high risk led corporations to reselect

investment banks with which they had previous relationships. His argument for this behavior was that in the absence of information in the environment about the upcoming transaction, the corporation chose a bank that they had a previous relationship with to reduce the uncertainty of the actions of the investment bank. As mentioned above, Baker (1990) also found that organizations tend to reuse partners with whom they have established previous relationships. Another possible explanation for reuse of partners is to decrease the coordination costs of developing additional relationships. When the number of partners increases above the level of the organization's capacity to maintain the ties, the effectiveness of each relationship may be decreased.

Competition. As the number of partners increases, the ability to maintain high quality relationships with each partner may decrease. This occurs for two reasons. The first is related to the level of competition between different partners of the client, which usually increases as the number of partners increases (Baker, 1990). Competition may affect relationship quality through a decrease in trust between the organizations involved in the partnerships. Trust is likely to be low between agencies that are in competition with a large number of other agencies working with the same client. This loss of trust between agencies can play a role in reducing effectiveness as the number of partners increases. Effectiveness will be reduced when the competition between agencies increases to the point that

agencies actions are targeted at harming or discrediting another agency or increasing their status with the client instead of serving the interests of the client.

The effect of this increase of competition has been described as upsetting a balance between cooperation and competition (Das and Teng, 2000b). Without the proper balance between cooperation and competition, an interorganizational relationship is less likely to continue and even less likely to be effective. In further support of this argument, Baker (1990) argued that an increase in the number of partners would likely increase the external market discipline that will be imposed upon the relationships. However, this may be at the potential cost of the benefits of loyalty and good faith negotiations that come with higher quality relationships with fewer partners (Macaulay, 1963).

Relationship-Specific Investments. The trust mentioned by Granovetter (1985) requires maintenance of the interpersonal and interorganizational relationships. This is usually accomplished through relationship-specific investments. As the quantity of interorganizational relationships increases, the resources available to make these types of investments decreases, for at least some of the partnerships. Thus organizations are limited in the number of such relationships that they can effectively maintain.

Resource dependence theory also predicts that the organization involved in the relationship with the greater availability of substitutes will likely have more influence and be able to dissolve any one substitutable relationship with less cost

(Pfeffer and Salancik, 1978). Thus, when a client with more partners does not invest individually in each relationship, it is more likely one relationship will be substitutable for another. Clients may pursue this course to decrease their dependence on a particular agency. However, over time as the client does not invest specifically in its interorganizational relationships, the relationships do not become uniquely valuable to the client and it becomes less likely that each relationships will be effective.

Summary

In this chapter, I reviewed the literature on reputation and outsourcing to reveal the link between the determinants of reputation and the consequences of outsourcing. I then reviewed some of the literature that differentiates between strategic and tactical activities of an organization. This review provides information that is used in Chapter Three and Chapter Four for hypothesis generation and operationalization of these differences. I also reviewed a limited portion of the literature on interorganizational relationships, focusing on the duration of an interorganizational relationship and the effect of the number of partners on the effectiveness of the relationship. This literature review prepares for the discussion of the hypotheses to be tested in this study.

CHAPTER THREE

THEORY DEVELOPMENT AND HYPOTHESES

This research explored some of the factors that were likely to influence the effectiveness of outsourcing organizational impression management work. I examined three specific indicators of effectiveness: reputation, quality of incoming students, and perceived effectiveness of organizational impression management activities. Although reputation is the primary target of organizational impression management activities, I also examined student quality, because as mentioned in the previous chapter, reputation is not readily or quickly changed. Thus I have selected this additional dependent variable that is more malleable and may potentially foreshadow changes in reputation. The quality of incoming students is a key determinant of reputation in the setting for this study. In preliminary interviews with organizational impression management professionals in colleges and universities, they mentioned this variable as a measure that they used to determine whether their activities were successful. Thus I selected this variable as a dependent variable that changes more quickly than reputation. Due to the organizational-level nature of these dependent variables, the hypotheses developed in this chapter were tested only at the organizational level.

Factors that may influence the effectiveness of the outsourcing of organizational impression management were divided into two overarching areas. The first of these was related to the nature of the specific task that was being

outsourced. The second overarching area was related to the relationship between the client and the agency. Hypotheses for all of these factors are detailed in Figure 1 and Table 1.

Nature of the task

As discussed in Chapter Two, the distinction between strategic and tactical activities is important for many types of work, including organizational impression management work. Strategic activities have greater impact, complexity, and uncertainty than tactical activities. All strategic organizational impression management activities do not necessarily possess all of these attributes, but when compared with tactical organizational impression management activities, they have greater levels of the attributes they do possess. This is also not to say that a sequence of tactical organizational impression management activities might not possess these attributes, but that a single tactical organizational impression management activity does not. A sequence of tactical organizational impression management activities may constitute a strategic organizational impression management activity (Mintzberg, 1978). As an example, the creation and implementation of a plan outlining the direction and goal of organizational impression management activities for the next three years would be a strategic organizational impression management activity. This activity has high impact, is highly complex, and includes high levels of uncertainty. However, creating a brochure describing a single product or service

to a single constituent of the organization would be a tactical organizational impression management activity. This activity has limited impact, and comparatively low levels of complexity and uncertainty.

The previous examples are not meant to suggest that all three attributes need to be present to classify an activity as strategic or tactical. For example, the coordination of publications across departments would be high in impact and complexity, but would not be as high in uncertainty as the creation of the overall organizational impression management plan from the example above. This would still be a strategic activity. Below, I discuss several reasons why it is likely to be more difficult to outsource strategic activities effectively than it is to outsource tactical activities effectively.

Due to the extended timeframe and broad scope of strategic activities, as described in the previous chapter, proprietary knowledge about the organization and its routines, procedures, policies, and relevant constituents is necessary to enhance the reputation of an organization through strategic organizational impression management efforts. Detailed proprietary knowledge about the organization is needed because any effort to enhance an organization's reputation with false, misleading, or ignorant claims is unlikely to succeed and may indeed backfire, especially if deception is attributed to an organizational impression management activity (see Alsop, 2001 for an example).

Using these types of claims is less troublesome in tactical organizational impression management activities due to the nature of the activities, since they have a more targeted audience and usually unfold over a shorter period of time. For the output of a tactical activity, to which the constituents are only minimally exposed, such false, misleading, or ignorant claims may not be noticed. Thus, the cost of ignorance is much lower for the output of tactical activities than for strategic organizational impression management activities to which constituents are exposed over a long period of time. Thus, to be successful outsourcing strategic activities, a client would usually have to transfer firm-specific knowledge to the agency or agencies working on these activities so that the agencies do not make misrepresentative claims when completing a strategic organizational impression management activity.

There are at least two obstacles to the transfer of this firm-specific knowledge. First, some of this firm-specific knowledge may be of a proprietary nature. From the viewpoint of the client, this leads to the possibility that the agency could use the knowledge to take advantage of the organization. For example, an agency may learn detailed information about consumer preferences during client focus groups. Similarly, an agency might also learn about the preferences of media representatives and how they affect the client's interactions with the media. Such knowledge could be a source of competitive advantage for an agency, because they could use it to provide solutions to strategic

contingencies either for their current client or for other clients (Hickson et al., 1971). Thus opportunism is a potential threat and contracts would have to be particularly complex in this type of relationship. This increases the transaction costs associated with this type of outsourcing (Williamson, 1985).

Second, from the viewpoint of the agency, the transfer of this type of knowledge would require a large investment in the relationship with the client. The knowledge gained through such a transfer has a high level of human asset specificity because it is not very useful when working with other clients. Thus transaction costs are high for an agency to engage in this type of work (Williamson, 1985). Unless the agency has sufficient spare resources to tie up with one client, they may be more likely to attempt to complete the activity without making the long-term investments that are required. This concern for the investment in work with such high human asset specificity and the associated attempt to avoid making long-term investments may be heightened if the agency fears that the relationship could be terminated before the knowledge transfer has been completed. In this case, there is a large opportunity cost of the investment required to obtain knowledge where the largest pay-offs do not come until much later.

The probability of early termination when working on strategic activities is relatively high because, given the complexity and uncertainty of strategic activities, these activities often take a long time to generate results. Also

reputation is much more difficult to enhance than to degrade (Alsop, 2001).

Many agencies work on monthly retainers, and unless there are spare resources within the client organization it will be difficult for members of the client organization to continue to justify to either top management, board members, or investors the continued use of organizational resources for an effort that does not seem to be achieving its intended results in the short-run.

In addition, the costs of organizational impression management activities when completed in-house may be less visible and harder to determine than when these same activities are outsourced. Therefore, when outsourced these activities may seem more costly than when completed in-house. Thus even if the barriers detailed above are overcome in the short run, the greater visibility of the cost of outsourced activities may cause the efforts to be cut off before they can be effective at enhancing reputation.

Although not immediately obvious, the impact of early termination is significant for an agency, even considering the large retainers they receive. The resources assigned to a client's strategic impression management activities are being shaped to serve the specific needs and systems of one client instead of being shaped to gain the general knowledge and experience that will be required to work with a broad base of clients in the future. This becomes especially pertinent should the client in which these resources have been invested discard the agency prematurely. At the point in which the agency is discarded, these resources will

be difficult to reallocate, since by definition they are specific to the client and lose much of their value in any other deployment. For example, extensive knowledge of the bureaucratic and political structure of a client may be very valuable in a relationship with that client, but almost useless in another relationship.

Agencies with such specific assets will be limited in their ability to compete with agencies that have not deployed their resources in client-specific activities over a long period of time. Therefore, in the long run, agencies that place their resources into these types of relationships may find that their resources cannot compete with the resources of other agencies that have been used for a wide variety of jobs at various clients.

Because both clients and agencies have strong disincentives to invest in the transfer of firm-specific knowledge necessary to complete strategic activities, when strategic organizational impression management activities enhancing reputation are outsourced they are much less likely to be effective than when they are maintained within the organization. It is possible that an organization could overcome these limitations through a superior interface with an agency and successfully outsource these types of activities. However, I do not expect to find these superior interfaces to be the modal form because of the barriers that exist to their formation. Some barriers to forming these superior interfaces include unclear long-term specifications for agency work, uncertain costs to achieve strategic objectives, and difficulty in measuring performance (Stinchcombe,

1985). In addition, a superior interface would require complex coordination and communication on multiple dimensions within the dyad, which would increase coordination costs (Galbraith and Kazanjian, 1986; Gulati and Singh, 1998; Thompson, 1967). Therefore, I believe that such superior interfaces will be rare. Without a superior interface, it will be difficult for agencies to execute strategic activities effectively. Agencies may also be at substantial risk of taking actions that will not improve, and may possibly degrade, the reputation of the client. Therefore, this discussion leads to the following hypothesis:

H1a: There will be a negative relationship between the level of outsourcing of strategic organizational impression management activities to agencies and both the client's reputation and the quality of incoming students.

The difficulties of creating reputational gains through outsourced strategic organizational impression management activities are also likely to influence the perceived effectiveness of organizational impression management activities. Considering the difficulty of measuring reputation and the nature of strategic organizational impression management activities, it is possible that an activity could be effective at improving reputation in the long run, but not be perceived as effective at the time of the client's measurement (e.g., at the time of an annual budget cycle or contract renewal). Therefore, it is important to consider the effect

of outsourcing strategic organizational impression management activities on the perceived effectiveness of organizational impression management activities.

Because strategic activities are complex and uncertain and often evolve over an extended period of time, they are more difficult to coordinate than tactical activities. Also, internal organizational impression management staff may feel a need to reinforce the value of their own work and put the work of agencies as second in importance. Since outsourced strategic activities are difficult to objectively judge and internal staff will frequently underrate the contributions made by agencies, outsourced strategic activities are more likely to be perceived as ineffective than similar activities performed internally. In addition, as mentioned above the results of such activities are achieved over time and are hard to measure and thus easier for the client to perceive as ineffective in the short-term. This discussion leads to the following hypothesis:

H1b: There will be a negative relationship between the level of outsourcing of strategic organizational impression management activities to agencies and the perceived effectiveness of organizational impression management activities.

Tactical vs. Strategic Outsourcing Effectiveness

While strategic organizational impression management activities are unlikely to be effective when outsourced, tactical organizational impression management activities do lend themselves well to outsourcing. Tactical

organizational impression management activities address the current impression of the client organization on one content-specific and audience-specific dimension. For example, an agency may be asked to create an informational brochure for a single product to be distributed to potential first-time buyers of that product. Or an agency may be asked to write a press release about the opening of a new production site in the city in which the agency is based. There are three variables that might explain why outsourcing tactical organizational impression management activities is likely to be more effective than outsourcing strategic organizational impression management activities and more optimal than completing tactical organizational impression management activities internally: knowledge requirements, shorter timeframe, and resource allocation. Review of the first two variables suggests why outsourcing tactical activities is more optimal than outsourcing strategic activities. The third variable suggests why outsourcing tactical activities is more optimal than internal completion.

Knowledge Requirements. While strategic organizational impression management activities often require proprietary or tacit knowledge of the organization and a willingness to continue efforts over a long period of time, tactical organizational impression management activities do not require as much knowledge of the organization or as long of a commitment. Instead they require knowledge of the current situation and of the likely range of responses to this particular event and audience(s).

Since only limited knowledge transfer is required to perform tactical organizational impression management activities, the risk of opportunism is decreased and contracting is much simpler. For example, the risk of agency opportunism is reduced because the agency has relatively little client-specific information to share with competitors. These differences reduce the transaction costs associated with outsourcing this type of organizational impression management work (Williamson, 1985).

Shorter Timeframe. Also in contrast to outsourcing strategic organizational impression management activities, tactical organizational impression management activities have a shorter timeframe in which success or failure can be determined. A change in reputation limited to one constituency on one issue can be made more quickly and completely than the more global change usually sought by strategic organizational impression management activities. Thus agencies do not have to invest into their efforts as long before they, and their clients, see returns on their efforts. Thus the risk of premature termination is less for tactical than strategic activities.

Also due to the limited scope of these activities, clients can measure success more accurately. Therefore, clients can more quickly, easily, and completely assess the results of the resources that are being used to enhance reputation through these activities. Thus they can be satisfied more quickly with work that is enhancing reputation or cut off efforts that are not. Thus outsourcing

decisions for tactical activities can be adjusted and evaluated regularly and over time are more likely to be effective as those that are less effective are quickly discarded by the client. Also since these activities are less uncertain and complex and more likely to be similar from year to year, the client can apply their experience from past successes and failures more accurately to their future decisions. Thus the original decisions about outsourcing tactical activities are likely to be more accurate and the work completed due to these decisions more effective.

The two reasons described above significantly reduce the problems associated with outsourcing strategic activities when outsourcing tactical organizational impression management activities. The third reason, below, describes why it is superior to outsource tactical organizational impression management activities than to retain them in-house.

Resource Allocation. Most organizations have limited resources to devote to each task within the organization. Limits to organizational impression management resources will limit the ability of the organization to keep sufficient staff on hand to deal with all of the tactical organizational impression management activities that could potentially benefit the reputation of the organization.

Since there is limited transfer of firm-specific knowledge and human asset specificity is low in tactical organizational impression management activities

when compared to strategic organizational impression management activities, these activities have relatively low transaction costs and can be purchased as a market commodity. In other words, there are many substitutes available to internal staffing, in the form of agencies, to do this work. According to resource dependence theory, organizational resources are best used to reduce the dependency of the organization on important resources that do not have readily available substitutes (Pfeffer and Salancik, 1978). Therefore, for an organization to invest significant resources in tactical organizational impression management activities would usually be an unwise and sub-optimal use of those resources.

The development of resources within the organization to address organizational impression management activities, by similar logic, should focus on the areas of organizational impression management for which there are limited substitutes. Thus the internal resources that are developed should address organizational impression management issues that are unique to the organization or at least that are uncommon to other organizations. This could include gaining an in-depth knowledge of the various constituencies of an organization and developing relationships with these constituencies. It might also include positioning the role of organizational impression management as an important one to the internal leadership of the organization.

Such activities are examples of addressing areas of organizational impression management work where substitutes for internal staff are not available

and the knowledge that is gained is firm-specific. By developing in these areas, the organization uses its resources to know and understand how to deal with its specific organizational impression management needs better than anyone else in the world. Many tactical organizational impression management activities do not require this type of knowledge and development of the knowledge required to do these activities will incur opportunity costs as discussed above. For example, a client can instruct an agency in the desired content of a brochure and the goals that the brochure would accomplish without maintaining the ability to create and produce the brochure internally (a fairly generally available ability).

Under the assumptions that organizations have limited resources and that they cannot develop both superior, non-substitutable knowledge of firm-specific organizational impression management needs and substitutable knowledge of non-specific organizational impression management needs, they should focus on those aspects of organizational impression management work that are most critical to the organization (Pfeffer and Salancik, 1978). In addition, any development in either type of knowledge required to do organizational impression management work constitutes sunk costs that can increase exit barriers for future decisions (Harrigan, 1985, 1980; Rosenbaum and Lamort, 1992). Thus organizations cannot necessarily reallocate resources between strategic and tactical activities quickly, and their past choices constrain future actions.

From the above discussion, I argue that because of the limited types of knowledge required to complete tactical organizational impression management activities and the shorter timeframe required to complete these activities they will be more effective when outsourced to agencies than strategic organizational impression management activities. In addition, I would propose that clients that develop firm-specific organizational impression management knowledge would be more successful in enhancing their own reputation than those that do not because their investments are centered in important resources for which there are few substitutes. Further I would suggest that the internal development of non firm-specific organizational impression management knowledge to provide tactical organizational impression management activities within the organization would limit the development of the knowledge required for the optimal internal use of organizational impression management resources. The discussion above leads to the following hypothesis:

H2: There will be a positive relationship between the level of outsourcing of tactical organizational impression management activities to agencies and both the client's reputation and the quality of incoming students.

Nature of the relationship

The second overarching area of this research concerns the relationship between the client and the agency. For this study, three factors will be assessed to

determine the nature of the relationship: outsourcing intensity, duration of client-agency relationship, and number of partners.

Outsourcing Intensity

Outsourcing intensity considers the difference between clients that outsource a limited amount of work and clients that outsource a great deal of their work. Researchers have found that when organizations move from low levels of outsourcing to higher levels that performance decreases and outsourcing is less effective (Hui et al., 2000). One could argue that this takes place because of increased coordination costs due to management of the additional workload across organizational boundaries (Galbraith, 1977; Thompson, 1967).

Changes in coordination costs can also explain the finding by researchers that, when moving from high levels of outsourcing to complete outsourcing, performance improves (Hui et al., 2000). This switch from high levels of outsourcing to complete outsourcing would decrease the coordination costs, since the role of the client would be changed from involvement and oversight to only oversight. However, I only found ten cases where clients outsourced all of their strategic activities and only two cases where clients outsourced all of their tactical activities. Therefore, I do not hypothesize the improvement found at the right tail of the outsourcing distribution by other researchers.

A second potential consequence of high levels of outsourcing intensity that may reduce effectiveness involves an increased possibility of conflicts

between employees of the agencies and the client involved in the outsourcing relationship, as discussed in Chapter Two. This potential may increase with high levels of outsourcing intensity because differences in status and unclear relationships between employees of the organization and employees of its outsourcing partners become more salient due to increased interaction (Broschak and Davis-Blake, 1998; Geary, 1992; Hui et al., 2000; Smith, 1994). This loss of effectiveness may also occur if the cultures of the organization and its partners are significantly different. Since researchers have argued that integrating cultures can be very difficult and disruptive to an organization (Schein, 1992; Trice and Beyer, 1993), when the level of integration required is high due to high levels of outsourcing intensity, differences in organizational culture that were previously ignored or relatively minor may create conflict that decreases the effectiveness of the interorganizational relationships. Based on the preceding arguments, I hypothesize the following:

H3: There will be a negative relationship between the outsourcing intensity of a client and both the client's reputation and the quality of incoming students.

Duration of Client-Agency Relationship

As discussed in Chapter Two, duration can have both positive and negative effects on an interorganizational relationship. Increasing relationship duration facilitates investments in relationship-specific investments, creates

embedded social ties, and facilitates structural attachment. However, these features also create barriers to exiting the relationship when its value declines. Also, it can be argued that eventually an agency may become so enmeshed in the culture of the organization that it can no longer offer the benefits of an outside third-party to the organization (Matusik and Hill, 1998). Benefits that may decrease with an extended relationship include the transfer of unknown, public knowledge (i.e., industry best practices) from the agency to the client, or the agency's ability to evaluate current organizational practices from a disinterested viewpoint.

Even though both a negative effect and a positive effect are argued in the literature, and I believe both can be observed in practice, it is unlikely that I would find the negative effects in my sample. These effects require a relationship that is longer term and more enmeshed than the relationships that I expect to observe in my sample. Anecdotal evidence from preliminary interviews with organizational impression management professionals in colleges and universities suggests that these relationships usually last less than ten years, and in my sample there are no relationships longer than ten years in duration. In fact, they often change with a change in the leadership within the institution: a new member on the board of regents, a new president, a new vice president of advancement, or a new director of organizational impression management work. Therefore, I do not hypothesize a negative effect of duration, even though I recognize it as a

possibility in some settings. Thus, the discussion above leads to the following hypothesis:

H4a: There will be a positive relationship between the mean duration of a client's relationships with its agencies and both the client's reputation and the quality of incoming students.

Just as longer duration relationships will lead to greater effectiveness of outsourcing organizational impression management work, they will also lead to higher levels of perceived effectiveness of activities performed by long-standing partners. As a relationship grows over time, the individuals involved in the relationship invest in relationship specific assets. These assets should improve the actual effectiveness of the relationship and therefore the perceived effectiveness. Employees who have made these investments may feel that since they have put so much into the relationship that it must be worth the investments they have made. This is not dissimilar to the arguments made in the literature on escalation of commitment and sunk costs (Brockner, 1992; Harrigan, 1985, 1980; Staw and Ross, 1987). Thus the actual improvement in performance and the psychological effects of the investment lead to the following hypothesis:

H4b: There will be a positive relationship between the mean duration of a client's relationships with its agencies and the level of perceived effectiveness of organizational impression management activities.

In addition to the main effects above, I hypothesize that duration will interact with the level of outsourcing of tactical organizational impression management activities. When a client has outsourced a high level of tactical organizational impression management activities to agencies they have used for a long period of time, relationship-specific investments decrease the coordination costs involved with additional tactical organizational impression management activities. This occurs more easily with tactical organizational impression management activities because they are less complex, and involve less uncertainty than strategic activities. Thus, tactical organizational impression management activities lend themselves well to the establishment of routine policies and procedures. This discussion leads to the following hypothesis:

H4c: The mean duration of a client's relationships with agencies and the level of outsourcing of tactical organizational impression management activities will have a joint positive effect on both the client's reputation and the quality of incoming students.

Number of Partners

The second of the factors related to the relationship between clients and agencies considers the number of outsourcing partners that a client maintains simultaneously. As discussed in Chapter Two, some potential disadvantages to a

large number of partners are increased coordination costs, dysfunctional competition between partners, and less investment in relationship-specific assets.

On the other hand, Baker (1990) argues that an increase in the number of partners can increase the external market discipline that will be imposed upon the relationships. External market discipline leads to anticipation by each agency that if it does not perform better than other possible, substitute agencies it will be replaced in the future by a more effective agency. Thus this discipline should improve the effectiveness of any one agency in its relationships with a client. Another potential benefit to the client with more agency partners is that if client has more partners than the agencies, it is likely to have greater influence on the agencies than they have on the client and depend on the inputs of a specific agency less. This assumes that the relationships are substitutes for each other and that each relationship is not unique in the benefits that it can bring to the client organization.

For the purposes of this study, I recognize that a large number of partners may have either a positive or negative effect on the effectiveness of the outsourcing of organizational impression management work. A large number of partners can benefit a client through greater available resources, in the form of additional human resources, time, and knowledge, to enhance reputation. Increased market discipline can keep agencies competing for business, and reduced dependencies can increase the power of the organization over portions of

its environment. However, with additional resources and especially additional agencies come increased coordination costs (Galbraith, 1977). I argue that increased coordination costs and loss of trust between partners can offset the benefits of additional hands and minds to enhance reputation and that opportunism can replace trust and good faith. This is likely to occur, because agencies may compete for business and lose sight of the client's interests. This is also likely due to the reality of coordination costs even in ideal partnerships. The following hypothesis follows from this discussion:

H5a: There will be a negative relationship between the number of agency partners maintained by a client and both the client's reputation and the quality of incoming students.

In addition to the main effect above, I hypothesize that number of partners will interact with outsourcing intensity. The arguments for reduced effectiveness due to increased outsourcing intensity and a large number of partners are even more powerful in this setting. First, coordination costs will be higher since there are more partners with which to coordinate the higher level of outsourcing activity. Second, conflicts are more likely between the client and the agencies due to increased interaction of individuals and increased collisions of organizational cultures. Third, dysfunctional conflict is more likely because the agencies that are competing with each other are aware of the high level of outsourcing and the large potential rewards for agencies that survive the

competition. Fourth, the need for relationship-specific investments is even greater with higher outsourcing intensity, but even less likely with a large number of partners. Thus I hypothesize the following:

H5b: The number of agency partners maintained by a client and the level of outsourcing intensity will have a joint negative effect on both the client's reputation and the quality of incoming students.

This chapter has presented the theory and the hypotheses that were tested in this study. The next chapter presents the research methodology that was used to test these hypotheses.

CHAPTER FOUR

RESEARCH METHODOLOGY

This chapter describes the research methodology to be used in the proposed study. First, I describe the setting for the study. Second, I describe the sample, sampling technique, and data sources. Third, I describe the dependent, independent, and control variables. Finally, I review the estimation methods used to test the hypotheses.

Setting

The setting for this study was the population of four-year private colleges and universities with between 500 and 5000 students. This size criterion was bounded at the upper end by *Peterson's Guide to Four-Year Colleges*, which differentiates smaller from larger institutions at 5000 students. The lower bound of the size criterion was selected after discussions with chief public relations officers at private colleges and universities in which they stated that institutions with fewer than 500 students would approach organizational impression management work through qualitatively different methods than larger institutions, since these smaller institutions in many cases would have one-person shops for these functions.

This study used private institutions instead of public institutions because reputation is likely to have a substantial impact on the ability of private institutions to attract students and perform well. Public institutions have more limited reliance on reputation than private institutions due to regional loyalties

that many state-sponsored, public schools benefit from and the funding that is granted to public institutions by legislative bodies, decreasing their reliance on tuition. Given that research in this area is limited and in an early stage of development, this setting was chosen, since it was appropriate to test the hypotheses in a setting where they were likely to be confirmed. Data were collected for this study for the academic years 1997-1998 through 2001-2002 inclusive.

The phenomenon studied within this setting was the organizational impression management work done by this group of colleges and universities. In this setting, as in others, organizational impression management goes by multiple names. In private colleges and universities some of the departments within which this work is done are public relations, press relations, media relations, public affairs, institutional advancement, institutional development, information services, college relations, institutional relations, external relations, and external communications.

This setting was ideal for testing the hypotheses for three reasons. First, reputation is important to the performance of this group of colleges. While for a corporation, its reputation may be less important than its overall profitability, the reputation of a private college is central to its success. Like all colleges and universities, private colleges have many of the attributes of organizations for which reputation is important to success, as discussed in Chapter Two: those who

interact with the organization can only imperfectly observe the organization's strategy (Fudenberg and Levine, 1992; Kreps and Wilson, 1982; Milgrom and Roberts, 1982), information about the true state of the organization is incomplete, and consumers cannot differentiate between high and low quality before purchasing a good or service (Weigelt and Camerer, 1988). In colleges and universities, the outcome of purchasing the service is known only years after the initial purchase decision has been made, and the technical core is relatively unobservable by most outside the institution.

Also interesting for a setting of colleges and universities is that, in a study of auditing firms, DeAngelo (1981) found that the more an organization stands to lose from a decline in reputation, the more the organization worries about their reputation. The concern for reputation in colleges and universities is great which suggests that preserving reputation is an important objective. For example, at Hobart and William Smith Colleges a drop in the *U.S. News and World Report* rankings cost a professor her position as senior vice president (Dobbin, 2000). Similarly, in a study of interorganizational emulation decisions in colleges and universities, Labianca and colleagues (2001) found that reputation, image, and identity played important roles in determining a target for emulation. They found that colleges and universities emulated the attributes of institutions that they felt had similar reputations. Thus not only are personnel decisions based on the reputation of a private college or university, but many of the operating decisions

that are made are based on the reputation of the institution. This indicates the central role played by reputation for these institutions.

From research on the effects of reputation on colleges and universities, Astin and Solmon (1979) reported that perceptions of quality and reputation drove the ability to attract good students. In a related finding, Matthews and Hadley (1993) found that a student's perception of the quality of an institution was significantly related to their probability of applying to that institution. For private colleges and universities, with a high level of tuition dependence and a small endowment, tuition is a major source of income. In these cases, effects of reputation on student applications reflect directly on the "bottom line" of the institution.

Second, this setting was ideal for this study because reputation for these private colleges is measured in a variety of ways and by a variety of sources. Therefore, detailed data on the reputation of these private colleges were available to test the hypotheses.

There is a third reason that private colleges were a good setting for research involving organizational impression management. These colleges, like other organizations, are vulnerable to macroeconomic conditions. Typically economic downturns are difficult for private colleges and universities because they reduce contributions and also increase the economic pressure on students who are attending school (Lively, 2001; Van der Werf, 2001). While it is true

that private colleges may be able to weather these conditions in the short run since they are less dependent on state budgetary funding than public institutions, this merely creates a lag before they will feel the effect of a downturn (Brownstein, 2001). Most of the 1990s were great years for private colleges as they rode the growth of the economy (Lively, 2001); however, the current downturn increases the importance of reputation and its ability to bring in continued revenue. Thus, this was a good time to study private colleges and universities because the period of the study covered both good times and the beginning of an economic downturn. This window of time provided an opportunity to study the phenomenon at different times when the success or failure of impression management efforts was both more important and somewhat less important to the performance of these colleges.

This sample of private colleges and universities may limit external validity, even within academic settings, because these institutions are different than either larger private colleges and universities or public universities in their dependence on reputation. It will also limit generalizability to the private sector. However, I feel that the trade-offs for increased internal validity, through holding factors constant that might otherwise conceal the effects proposed in this study, are worth the limits mentioned above to external validity. In addition, this was an early study in this area and future studies can be conducted to determine the generalizability of these findings to other types of organizations.

Sample

In the *2002 Higher Education Directory*, there were 962 accredited institutions in the universe of private colleges as defined in this study. This directory is published by Higher Education Publications and includes all postsecondary institutions that are accredited according to one of two sources: the U.S. Secretary of Education's list of accrediting agencies and the list of accrediting agencies from the Council on Higher Education Accreditation (CHEA). If schools are accredited by an agency not included in one of these two lists, they do not appear in this directory. All institutions in this population were sent a survey.

The population sampled was selected using three criteria:

1. private for profit or non-profit colleges or universities
2. offer four-year baccalaureate awards
3. enrollment of between 500 and 5000 students

Data Sources

Data needed to test the hypotheses were collected from several sources. These sources include a telephone survey, mail survey, archival data, and interview data. The protocol for the telephone survey is presented in Appendix A. The mail survey instrument described below is presented in Appendix B. Tables 2, 3, 4, and 5 describe the variables, measures, and sources for dependent, independent, and control variables.

Background Interviews: Background data on public relations and the role of public relations in private colleges and universities were collected from a series of semi-structured interviews with public relations practitioners and researchers in a variety of positions, industry sectors, and regions of the nation. These semi-structured interviews were conducted with thirteen individuals.

These individuals worked in organizational impression management in the following areas: online training, computer systems and services, public relations agency work, university public relations, and national nonprofit organizations. They were located in Arizona, South Carolina, Texas, and Washington D.C. Interviews were either conducted over the phone or in person. Interviews lasted between 30 and 60 minutes.

The interviews served three purposes. First, they provided valuable background information used during the development and operationalization of the hypotheses. Second, they provided support for the research and help in developing the contacts necessary to develop semantically correct survey items for items specific to this research setting. Third, the interviews provided a rich source of qualitative data to aid in the interpretation of the quantitative data analysis.

Telephone Survey: A telephone survey (see Appendix A) was used to develop items for the mail survey. This survey was conducted with a convenience sample of 18 chief public relations officers at private colleges and universities

from my sample. These interviews lasted approximately 30 minutes. They were held with individuals located in California, Georgia, Illinois, Massachusetts, New York, Ohio, Pennsylvania, Texas, Washington D.C., and Wisconsin. These respondents were the individuals at their institutions who had the highest titles related to impression management work.

During semi-structured interviews, respondents were asked to describe common organizational impression management activities and rate them on frequency of use and strategic importance. Based on these responses, a set of strategic and tactical activities was chosen for inclusion in the mail survey. The activities that were chosen as a result of these interviews were the following: news releases, media relations, print publications, electronic media, community relations, and government relations.

These individuals were also asked whether these activities were strategic or tactical in nature. Due to the popular use of these terms in workshops and the business press and the incorrect association of tactical with incomplete and ineffective efforts and strategic with complete and effective efforts, I was not able to get an accurate assessment of which activities were strategic or tactical in nature from these individuals. Many individuals instead answered that they believed that they all should be used strategically. Therefore, I make this distinction empirically from the responses to the specific items included in the survey rather than from comments made in the telephone survey.

Respondents were also asked to describe common institutional events that could disrupt or significantly effect organizational impression management work. The events that they identified most often and that I included in the final survey were the following: new president or vice-president, new public relations or communications leader or reporting structure, significant change in the public relations or communications budget, significant and unusual campus-related crisis, and a significant change in academic programs and offerings. Other events were mentioned such as capital campaigns, but these were determined to be too frequent to be included in this measure, which was designed to capture events that would have an unusual and significant effect on organizational impression management work. The telephone survey aided in the development of these items for the mail survey described below.

Mail Survey: A questionnaire (see Appendix B) was mailed through the U.S. Postal Service to the individual, at all 962 institutions meeting the criteria detailed above, that had the highest title related to impression management work (i.e., Director of College Relations, Director of University Relations, Director of Institutional Relations, Director of Communications, Director of Public Information, Director of Public Relations, or Vice President for Advancement). A cover letter from the National Association of Independent Colleges and Universities (NAICU) recommending participation was included with the survey. A copy of this cover letter is presented as Appendix C.

This survey collected data on the strategic and tactical organizational impression management activities, identified in the telephone survey, that the institution participated in for the academic years included in the study. It also collected data on the perceived effectiveness of these organizational impression management activities for the last year of data collection only, to improve the quality of respondents' recall for these items. In addition the survey collected a list of agency partners that had been used for the last five years and the duration of each of these relationships. The following control variables were also collected in the survey: size of organizational impression management function, target population whether national or regional, and major institutional changes as defined from the telephone survey.

The first mailing of surveys went to all 962 institutions identified by the three criteria detailed above and listed in the *2002 Higher Education Directory*. Additionally, an e-mail was sent about the same time to all members of NAICU, through an internal listserve maintained and operated by that organization. The survey was also posted on a website with multiple file formats available for download. This was mentioned in the cover letter sent with the survey and in the listserve. The website allowed all respondents either a traditional paper format or an electronic format for submitting their survey response. After sufficient time had passed since the first mailing an e-mail reminder was sent to approximately 500 of the institutions for which e-mails were available. Soon thereafter a follow

up letter was sent to all the respondents requesting that they return the survey and redirecting them to the website if they had misplaced their original copy of the survey.

These efforts resulted in 118 returned surveys. One survey was unusable because it was completely blank, and on two others the name of the institution was not included and could not be determined. After removing these three unusable responses there remained 115 usable responses or an overall 12% response rate. This relatively low response rate could have been due in part to Anthrax mail scares in late 2001 that led to increased security measures and lower tolerance for bulk mailing. It also may have been due to the nature of the schedules of the individuals that were targeted by the study. As chief public relations officers, many of these individuals are responsible for a large scope of tasks and have, from my returned responses, an average of only 4.5 FTEs in their offices to accomplish these tasks.

To determine the nature of the differences between respondents and non-respondents, I completed a t-test with each of the following variables: highest degree level offered, surrounding locale whether urban or rural, number of faculty, spending on faculty. There were no significant differences between respondents and non-respondents on any of these measures. Thus I believe that my sample is relatively representative of the larger population from which it was drawn. In addition, as explained in detail later, the Heckman (1979) procedure

was used to correct for possible sample selection bias resulting from the relatively low response rate.

Archival Data: In addition to the survey, archival data were collected from the Integrated Postsecondary Education Data System (IPEDS), the core postsecondary education data collection effort of the U.S. Department of Education sponsored by the National Center for Education Statistics. Data for IPEDS are collected from approximately 12,000 postsecondary institutions, and it is the most comprehensive source for these institutions. Archival data were also collected from *Peterson's Guide to Four-Year Colleges* to supplement the data gathered from the mail survey. These data were used for dependent variables and control variables as outlined below in those sections.

The procedure described by Heckman (1979) was used to control for sample selection bias, both due to non-response and to missing data from IPEDS and Peterson's. To conduct the sample selection bias analyses, I gathered archival data for 952 institutions that were also listed in the IPEDS database. The ten institutions that were not in IPEDS were either part of a larger campus, sold off during the study period, or were distance learning or online facilities that were not listed in IPEDS. I did not receive surveys from these ten institutions.

In addition to IPEDS and Peterson's, data were collected from five sources measuring some aspect of the reputation of colleges and universities. These lists are detailed in Table 2.

Measurement of Variables

In the next sections, I provide an outline of the measures for the dependent, independent, and control variables included in this study. More details on the variables, measures, and sources for the dependent, independent, and control variables are available in Tables 3, 4, and 5 respectively.

Dependent Variables

Reputation: The measure of reputation was developed from multiple sources. Five lists that measure some aspect of reputation and are produced by sources external to private colleges and universities were used in the creation of this measure. These lists were *Kiplinger's* top 100 values in private colleges, *Princeton Review's* the best colleges ranked by students, top American research universities published by *TheCenter* at the University of Florida at Gainesville, *US News and World Report's* college rankings, and *Yahoo! Internet Life* America's most wired colleges. From these lists, the mean percentile of the rankings was calculated for all the lists in which a school was listed.

Quality of Incoming Students: Since reputation is a fairly static attribute of an organization containing information about the past of the organization (Fombrun and Shanley, 1990), it may be difficult to find an effect for all of the hypotheses with a measure of reputation in the relatively short period of the current study. Therefore, I also used quality of incoming students as a dependent variable. The first reason for the selection of this variable was that it is used in

lists that rank the reputation of colleges and universities. In addition, researchers have found this to be closely related with reputation (Astin, 1982; Astin and Solmon, 1979; Matthews and Hadley, 1993; Theus, 1993). Finally, in the interviews with public relations professionals with experience in colleges and universities, I asked them how they measured the reputation of their college or university and they responded that the quality of students admitted was one of the measures that they used.

However, since student quality is included in the formulas that determine reputation for many lists of college's and university's reputations, I expect that this measure will precede future changes in reputation on these lists. Therefore, for this study it should not be viewed as a direct measure of reputation, even though practitioners use it in this way. Instead it should be viewed as a measure of a key determinant of reputation for this setting.

Data for the measure of student quality were gathered from *Peterson's Guide to Four-Year Colleges*. Items used to construct this measure included: average GPA of admitted students, percent of freshmen from top 10 percent of their high school class, and percentage of students admitted that achieved 500 or higher on the verbal portion and 500 or higher on the math portion of the SAT college admissions test. Some of these values were not reported in the archival source for all the institutions represented by my respondents, and so this measure is provided for fewer of the institutions than the other dependent variables.

These measures were combined using factor analysis to create a single standardized measure of incoming student quality. The results of this analysis are shown in Table 6. The proportion of the variance explained by the student quality factor was .72 and all loadings were positive and between .77 and .94 in magnitude. I also included the percentage admitted in this analysis, but it did not load well (-.18) on the student quality measure when compared with the other measures. It did however load well as a separate factor (.97) and so I decided to include the percentage admitted as a separate dependent variable. The analysis for percentage admitted is also included in Table 6.

Perceived Effectiveness of Organizational Impression Management

Activities: The final dependent variable was a measurement of the perceived effectiveness of organizational impression management activities. This measure took into account the perceived effectiveness of an activity on the following dimensions: quality of working relationships between people involved in the project, use of funds, use of time, and achievement of activity objectives. The specific items are included in Table 3. This measure was useful since perceptions of effectiveness may affect decisions about future outsourcing more than actual effectiveness, which can be hard to determine. These data were only collected for the final year of the period for the study so as to increase the accuracy of the respondents' memory of their perceptions of activity effectiveness. This variable was measured as a Likert scale with 7 points from Strongly Disagree (1) to

Strongly Agree (7). The variable was constructed as the mean of the individual perceived effectiveness for all six activities. The inter-item reliabilities (Cronbach's alphas) for these scales were .73 for news releases, .75 for media relations, .78 for print publications, .89 for electronic media, .73 for community relations, and .83 for government relations.

Independent Variables

In this section, I describe the independent variables that I used in my study.

Strategic and Tactical Organizational Impression Management Activities:

In the mail survey, respondents were asked to describe the existence and outsourcing of the following six activities for all years of the study: news releases, media relations, print publications, electronic media, community relations, and government relations.

For this study, the following classification system of activities as either strategic or tactical was used. Since the nature of the actual use by the department is a good determinant of whether an activity is strategic or tactical, I classified activities based on answers to ten questions about each activity by each survey respondent. This classification included a general item assessing overall importance of the activity, and items assessing the impact, complexity, and uncertainty of the activity. These items are included in detail in Table 7.

The final classification was determined by comparing the means in an ANOVA and reviewing the Scheffe test results to determine significant differences in means between the activities. These results are presented in Table 8. The Scheffe test reported that electronic media and print publications, which were significantly different from each other, were also significantly greater than the remaining activities in their strategic use. The remaining activities were not significantly different from each other. Thus, I assigned electronic media and print publications as strategic in nature and news releases, media relations, community relations, and government relations as tactical in nature. These tactical activities are those that these institutions, with relatively small staffs are unable to approach strategically.

These divisions do not fit with the a priori distinctions that I formulated when selecting these activities. My conceptual division would have placed media relations, electronic media, and government relations as strategic activities and news releases, print publications, and community relations as tactical activities. This may have occurred for several reasons. First, because I have not captured the level to which the activity was an important part of their plan for organizational impression management work. Second, because the perceptions of my respondents about the use of these activities over the past five years is inaccurate, or they had different understanding of the scale items than I intended and are interpreting them differently in this setting than I anticipated. One

possibility is that they may have been considering their intended use of the activity rather than its actual impact. Another possibility is that they mentally allocated important actions that affected multiple activities to those activities that they felt were most important. However, using the data gathered in this study, I cannot determine post hoc the actual reason for the unexpected classification of strategic and tactical activities.

The level of outsourcing of strategic and tactical organizational impression management activities was measured as the proportion of the work for strategic and tactical organizational impression management activities outsourced by the client for each year of the study gathered from the chief public relations officer as an informed subjective estimate due to difficulties with specific metrics being hard to interpret. For example, if dollars had been used as the metric for measuring the proportion outsourced for print publications, then most clients would have reported exaggerated levels of outsourcing because almost all of the expense in this area occurs in the final stages when the colored brochures are printed.

Duration of Client-Agency Relationships: The duration of client-agency relationships was analyzed in this study as the mean number of years that a private college or university used all agencies for the six organizational impression management activities reported in the mail survey. The aggregation of the relationships across all activities was necessary due to the method of reporting

which did not ask respondents to specify the total number of years that they had used an agency for a particular activity. This decision to ask only the total usage of an agency was made because the ability of respondents to recall the accurate total number of years that they used an agency for a given activity was suspect. This decision was also made to limit the length of the survey, which was already over 20 pages in length. Thus this trade off was made to increase the accuracy of reporting and to improve the response rate to the survey. The disadvantage to this type of aggregation is that variance is lost and the relationship between this variable and other aggregated variables may be overestimated due to aggregation bias.

Number of Agency Partners: This variable was calculated as the mean of the total number of partners mentioned by the private college or university for all years across all activities. This aggregation was also made to decrease the length and complexity of the survey for respondents and suffers the same disadvantages as those mentioned above for the duration of client-agency relationships.

Outsourcing Intensity: The mean proportion of all activities outsourced was calculated for each year of the study.

Control Variables

Organizational Size. This is an important variable not included in my hypotheses that could affect the reputation of a private college or university. Researchers have found that size affects judgments of college and university

reputation, especially because it is so strongly related to library collections, research funds, assets, and overall faculty quality (Astin, 1982; Theus, 1993). Since this variable has the potential to influence judgments of reputation, I used this variable as a control and reduced its variance by limiting my analysis to institutions that have between 500 and 5000 students. I included a measure of the log of the number of faculty in the analyses. I used the log of the number of faculty in my models after noting during descriptive analysis that the distribution of the faculty variable was positively skewed with several institutions having many more faculty than the main body of the sample.

Affiliation: Affiliation was assessed as either religious or non-religious.

In certain regions of the country one religious affiliation may have a greater following than another and this may affect the quality of students that a particular institution receives. There may also be other effects on reputation based on religious affiliation. For example, the reputation of the religion may imperfectly transfer to the reputation of the school. I collected this variable, but did not include it in the final analyses because 60% of the schools were religiously affiliated and when included with other variables in the analyses the models did not converge due to excessive collinearity between this and other dummy variables. I performed a t-test to determine if this variable was different for respondents and non-respondents and there was no significant difference.

Profit or Non-Profit: Whether or not a school is for profit or not for profit may affect the view of potential students of the school about its motivations for operation. For this reason, this variable was considered to be included as a control variable. Among my respondents only four were for profit institutions and this variable was not included in any of the analyses due to lack of variance.

Endowment: I collected the size of the endowment in thousands of dollars. This control was important, since institutions that are historically better funded may have better reputations, and a good historical reputation may also have prompted past contributions. For example, researchers have found evidence of a strong tie between financial performance and reputation in private-sector industry from *Fortune's* annual lists of the most admired companies (Brown and Perry, 1994; Fombrun and Shanley, 1990; Fryxell and Wang, 1994; Hammond and Slocum, 1996). For my analyses I used the log of the endowment in millions of dollars. I used the log of the endowment in my models after determining, during descriptive analysis of the endowment measure, that the distribution of the endowment measure was positively skewed with several institutions having an endowment many times greater than the main body of the sample.

Size of organizational impression management function: The size of the organizational impression management function was collected using two items. The first was the size of the budget for organizational impression management work. The second was the number of full-time equivalent (FTE) positions that

were included in organizational impression management work. The size of this function has a potentially large effect on outsourcing decisions and the scope and reach of activities that can be attempted.

However, the response for these two variables was poor, and even institutions that did respond, usually only responded for selected years of the study. Thus the reduction in the institutions included in the models was too great when these variables were included. Overall there were 254 firm-year observations of the budget variable out of 690 possible and 355 firm-year observations of the FTE variable. However, since the budget and FTE items were not completed for all years by many of the respondents at the institutions, the loss of cases created by including these variables in the model was even greater than these numbers would indicate. This was due to the fact that a missing value for any year would exclude that schools information for all years.

Target population: Whether an institution is targeting a regional or national audience may be important to their reputation and to the decisions they make about outsourcing organizational impression management work. For these reasons, I collected a control variable for the target population. However, only 31% of the sample had a national target population and as mentioned above, this created problems for model convergence so this control was not included in the sample. An alternative measure of the percent enrolled from out of state was collected, but was only available for a small segment of the population for all five

years of the study and thus was not included in the models either. I did not perform a t-test for this variable, since it was only collected for the responding institutions.

Age: The age of a college or university can affect the perceived reputation of the institution with older institutions often being viewed as more prestigious than newer institutions (Theus, 1993). This variable was measured as the year of founding.

Major institutional change: If there were major institutional changes within the college or university that affected the institution's organizational impression management activities these were included in the analysis. As mentioned above, several events were identified in the telephone survey and included in the mail survey. This variable was coded as the sum of the number of events that occurred for each institution for each year. Thus all events were treated as equal in importance for this control.

Estimation Method

I analyzed the models that involved the perceived organizational effectiveness with OLS regression, since these data were collected for only one year of the study. I used the generalized estimating equations (GEE) method in the SAS GENMOD procedure (SAS Institute, 1997) to estimate all other models. This was necessary because my study used a pooled cross-sectional time-series design. This design created the potential of bias due to non-independent

observations. The analysis of correlated data as though they were independent can reduce the size of standard errors and lead to inefficient estimators (Diggle, Liang, and Zeger, 1994). GEE adjusts for non-independence of observations by modeling the within-organization covariance structure while treating between organization observations as independent (Liang and Zeger, 1986).

Some of the advantages of GEE are that it makes very few assumptions about heterogeneity across organizations, the estimators are not biased and are relatively efficient, the results are relatively conservative in avoiding Type 1 errors, it does not assume normal distributions, and unlike fixed-effects models it can estimate time-invariant effects and preserve across organization variance.

CHAPTER FIVE

RESULTS

This chapter includes the results of my empirical analyses. I first give a brief overview of the descriptive statistics for the key variables used in my analyses. To answer the first research question from Chapter One, I report the effects that strategic and tactical outsourcing have on the reputation of private colleges and universities. I also report the effects that strategic outsourcing has on the perception of the effectiveness of the institution's organizational impression management activities. To answer the second research question, I report the effects that outsourcing intensity has on the reputation of private colleges and institutions. To answer the third research question, I report the effects that duration of the relationship between a college or university and its agencies has on the reputation of the college or university and on the perception of the effectiveness of the institution's organizational impression management activities. I also report the effects that the interaction between the duration of the relationship between the college and its agencies and the outsourcing of tactical activities has on the reputation of the college. Finally, to answer the fourth research question, I report on the effect that the number of organizational impression management outsourcing partnerships used by a college has on the reputation of the college and the effect that the interaction between the number of organizational impression management outsourcing partnerships used by the

college and the outsourcing intensity of organizational impression management work has on the reputation of the college.

Descriptive Statistics

Table 9 reports descriptive statistics for all of the variables used in the analyses. For this table, there are a maximum of 690 possible firm year observations, although some variables have fewer observations due to missing data. Reputation percentile was the variable used to measure reputation. This variable ranged from 0-100 and was reverse scored so that 100 was the best ranking for ease of interpretation. The mean of the reputation percentile variable is 19 percent, meaning that the average college or university that responded to my survey was ranked relatively low on the lists included in my analyses. Two different variables were used to measure student quality as a precursor to reputation: a factor of test scores and class placement as described in Chapter Four, and percent admitted. The percent admitted variable should be interpreted with lower values being indicative of higher reputation. This is because a more selective school can turn away more of its applicants. So the mean of 73 percent also confirms that many of the institutions were relatively low in reputation.

Other highlights from this table are that the mean level of the percent of work outsourced for strategic activities was 26 percent, while the mean level of the percent of work outsourced for tactical activities was only five percent. The lower level of outsourcing for tactical outsourcing may be due to the nature of the

departments handling this work at these institutions. For the most part these are relatively small institutions with few employees dedicated to these tasks; therefore, it may be that it is easier for them to complete tactical activities internally than it is to complete strategic activities internally. The duration of relationships between partners was fairly short being, on average, only just over three years and the mean number of partners used by an institution was just over one. Correlations between all of the variables included in the analyses are also provided in Table 9.

The relatively low means for both strategic and tactical outsourcing are due to the fact that 23% of the respondents did no strategic outsourcing at all and 63% of the respondents did no tactical outsourcing at all. This suggests that there may be two decisions involved in outsourcing; first a decision about whether to outsource at all, and second a decision about what level of outsourcing to use. To examine this possibility, I ran zero-inflated models. However, these were not significant, which means that institutions reporting zero outsourcing did not affect the results presented here.

Since I use multiple measures for reputation, Tables 10 to 12 contain the results of the models used to determine the effects of strategic and tactical outsourcing on reputation. The dependent variables for Tables 10 to 12 are reputation percentile, student quality, and percent admitted respectively. Before

reviewing the models below, three comments about overall model specification are in order.

First, as mentioned in Chapter Four, I used the Heckman (1979) procedure to control for sample selection bias due to non-respondents in my sample. The selection bias control variable was calculated using this procedure. To calculate this variable, I ran a logistic regression on all 962 institutions in the sampling frame predicting the probability of survey response. The overall fit of this model was good ($\chi^2=24.01$, $p<.001$). The predicted values from this model were included as a control in the models below.

However, I did not use a direct measure of reputation in the Heckman (1979) procedure and so it is possible that the correction for non-response did not completely correct for a possible difference in reputation between respondents and non-respondents in my population. In support of this, the mean of the reputation variable was rather low as mentioned previously. However when running the Heckman (1979) procedure, I included such variables as number of faculty and spending on faculty which while not direct measures of reputation are variables that control for size and resources which are important determinants of reputation in this setting. This suggests that I have controlled for any difference between respondents and non-respondents at least for these important determinants of reputation in my models and therefore the effect of this omission on my results should be minimal. When respondents that do not appear on any of

the lists I collected for reputation are excluded from my sample the mean for reputation percentile is 47%. This suggests that these schools are of relatively average reputation, which presents further evidence of non-response bias. It would be important to include reputation in the Heckman model for future work in this area to fully address this issue.

Second, since the outsourcing intensity variable is a combination of the strategic outsourcing and tactical outsourcing variables, these variables and the interactions that they are predicted to affect are contained in different models. This is due to a high level of correlation (0.79 for strategic outsourcing and 0.72 for tactical outsourcing) between these variables and outsourcing intensity and the danger of multi-collinearity if they are included in the same model. Thus, Models 7 and 9 in Tables 10 to 12 contain the strategic and tactical outsourcing variables with the other predictor variables and the interaction between tactical outsourcing and duration and Models 8 and 10 in Tables 10 to 12 contain outsourcing intensity with the other predictor variables and the interaction between outsourcing intensity and number of partners.

Third, unless otherwise specified in the text, all variables that were not time invariant were lagged one year so that for example the outsourcing from the academic year 1999-2000 was contained in the same model as the reputation results for the academic year 2000-2001. This lag was used based on the

assumption that the work done in 1999-2000 was likely to affect the reputation in the following year.

Control Variables

The control variables were described in more detail in Chapter Four. Model 1 in Tables 10 to 12 provides the results for the models with only the control variables present. The coefficients of the control variables provide some expected findings and some surprises. I will look only at Models 7 to 10 in Tables 10 to 12 for interpretations of the control variables, since the earlier models do not contain all of the predictor variables. Analysis of the sample selection control for most models in Tables 10 to 12 indicates that controlling for other factors, my respondents were higher in status and therefore more likely to be concerned with reputation. For example, the coefficients for sample section control are positive and significant for Models 8 and 10 in Table 10 for the reputation percentile variable and positive and significant for Models 7 to 10 in Table 11. Thus schools that responded to the survey have better placement on reputation lists and have higher quality students than those that did not. This gives evidence for a liberal test of my hypotheses. Additionally when it is significant, the coefficient for year of founding is negative. Therefore, schools with earlier founding dates have greater reputations. This finding is not surprising. The coefficient for the measure of the endowment is also positive; schools with greater endowments, therefore, have higher reputations. The only

exception to this when the dependent variable is percent admitted. In this case, the coefficient for endowment is negative. Since admitting a higher percentage of an institution's applicants is seen as indicative of schools with lower reputations, these findings are fully consistent with findings from the other models.

For the reputation percentile variable, the measure of size (log of number of faculty) is significant and positive only for the models including outsourcing intensity, and excluding strategic and tactical outsourcing. Therefore, for these models a greater number of faculty is associated with a higher reputation. This result is not surprising. However, for the student quality dependent variable, the coefficient for the number of faculty is significant and negative. This is a surprising result, since it suggests that the schools in the sample with a greater number of faculty have a lower quality of students. However, this may be due to the fact that these schools are not as selective of those they admit, since they are enrolling more students than smaller schools. The student quality measure does not measure the best students enrolled, but only average capabilities of students enrolled from year to year. Thus it may be biased towards smaller schools as suggested by this result.

Effects of Strategic and Tactical Outsourcing on Reputation

Hypothesis 1a predicted that outsourcing a greater proportion of strategic activities would be associated with lower levels of reputation. Model 7 in Tables 10 to 12 contains the results for the regressions used to test this hypothesis. For

the reputation percentile measure, outsourcing of strategic activities did reduce the reputation of the institution as predicted. However, for the student quality variable the percent of outsourcing of work for strategic activities had no effect. Finally, for the percent admitted variable the effect is significant and negative. However, as previously mentioned this should be interpreted to mean that if more strategic outsourcing is completed, then the percentage of the applicants that are accepted to the institution decreases. This finding is in the opposite direction predicted by the hypothesis. It may be that while strategic outsourcing targets the desired student population it still harms the overall reputation of the school due to potential effects on other constituents, since percent admitted is only one determinant of reputation in this setting.

One interesting note for the effect on reputation percentile of strategic outsourcing is that it is not significant when put in the model by itself, but is significant in the full model. During investigation into this effect, I found a significant and negative interaction between strategic outsourcing and duration. Thus the effect of strategic outsourcing is non-significant until duration is included in the model and then becomes significant due to the negative interaction between duration and strategic outsourcing. This suggests that once the beneficial effects of longer duration relationships are accounted for, strategic outsourcing has a negative effect on reputation.

A similar pattern is found for strategic outsourcing with the percent admitted variable, where in isolation strategic outsourcing is also non-significant. However, when placed in the full model it becomes significant and negative. While exploring this result, I discovered a positive interaction between strategic outsourcing and duration. As above and as further detailed below in the section on the effect of duration on reputation, this result states that institutions with longer relationships that outsource more strategic activities admit more of their applicants. When this finding is considered with the result for percent admitted discussed above, it suggests that when strategic activities are outsourced over a longer period of time that they may improve the ability of the institution to target the applicant pool that they desire. However, as previously mentioned this improved fit is not the only determinant of reputation.

In supplemental analyses that I do not fully report here, I included a measure of strategic outsourcing squared in all of the analyses to determine if there was a curvilinear effect of strategic outsourcing on reputation. For all of the models, I only found effects for Models 7 and 9 in Table 11 with the student quality dependent variable. In both of these models the coefficient for strategic outsourcing squared is significant and negative. In addition, the coefficient for strategic outsourcing is positive and significant. The only other difference between these models and those reported in Table 11 is that for Model 7 the coefficient for number of partners is negative and significant. These results are

interesting, but do not show systematic evidence of strategic outsourcing on reputation. This could be an area for further exploration in future studies.

Hypothesis 2 predicted that outsourcing a greater proportion of tactical activities would be associated with higher levels of institutional reputation. Model 7 in Tables 10 to 12 contains the results for the regressions used to test this hypothesis. The model indicates that for the student quality measures this hypothesis is supported; outsourcing tactical activities improves the reputation of the institution through attracting higher quality students. However, for the reputation percentile and percent admitted measures this hypothesis is not supported. I also ran supplementary analyses including a measure of tactical outsourcing squared to determine whether there were any curvilinear effects on reputation from outsourcing tactical activities. There were not significant results for this variable.

For all analyses of the effects of strategic and tactical activities on reputation I also completed supplemental analyses including the reputation of the institution for the year previous to the data collection of the study as a control for prior reputation. The results discussed above were unchanged by the inclusion of this control.

Effect of Strategic Outsourcing on Perception of Effectiveness

Table 13 presents the results for the models using the perceived effectiveness of organizational impression management activities as the

dependent variable. All of the models in this table use OLS regressions, since the effectiveness variable was collected from the respondents for only the last year of the data and there is no risk of correlation between years such as presented for the longitudinal analyses in Tables 10 to 12.

Hypothesis 1b predicted that outsourcing a greater level of strategic activities would lead to a lower level of perceived effectiveness of organizational impression management activities. I tested this hypothesis with both a one-year lag and a two-year lag. Models 4 and 6 in Table 13 indicate that outsourcing strategic activities had no effect on the perceived effectiveness of organizational impression management activities for the one-year lag, but that it had a negative effect as predicted for the two-year lag. This result is surprising and if accepted suggests that the perception of the effectiveness of organizational impression management activities is more stable than I had originally supposed. Perhaps, chief public relations officers recognize that there is little chance for change to occur in the reputation quickly and thus more heavily base their perceptions on work that was done farther in the past when judging the effectiveness of the work. However, when one considers the escalation of commitment literature and the effect of new data on learning, this effect of the permanence of older learning is not as surprising (March, Sproull, and Tamuz, 1991; Staw and Ross, 1987).

However, when the controls are removed from the model, both the one-year and the two-year lag for strategic outsourcing are negative and significant

and the overall model F is significant also for these models. Thus, I believe that the inclusion of too many non-significant variables may be the cause for the lack of support for this hypothesis. I also ran tests for a curvilinear effect of strategic outsourcing on perceived effectiveness, but did not find any significant effects.

Effect of Outsourcing Intensity on Reputation

Hypothesis 3 predicted that for higher levels of outsourcing intensity that the reputation of the institution will be lower. Model 8 in Tables 10 to 12 contains the results for Hypothesis 3. This hypothesis is not supported for any of the dependent variables. As detailed above, I included a control for prior reputation in all of these models. The results were unchanged due to the inclusion of this additional control.

Effect of Duration of Outsourcing Relationships on Reputation

Hypothesis 4a predicted that for institutions with longer durations for their organizational impression management outsourcing relationships their reputation would also be stronger. Models 7 and 8 in Tables 10 to 12 contain the results for the regressions used to test this hypothesis. For both the reputation percentile and student quality variables, an increase in duration of these relationships does improve the reputation of the institution. However, for the percent admitted variable the result is in the opposite direction than predicted with an increase in duration increasing the percentage that are admitted. This may be due to factors such as improved fit between the applicants and the schools due to better

organizational impression management work although as previously discussed this improved fit is not the sole determinant of reputation. It is also possible that successful relationships have longer durations and that it is the success of the relationship that is driving the longer duration. My study does not allow me to determine the causality of this relationship. However, since there is no effect of duration on perceived effectiveness as I will discuss below, it appears more likely that duration drives success than success drives duration, at least if I assume that a successful relationship would be perceived as more effective by the respondent.

In supplemental analyses, I also ran models including a squared term of duration to determine if there were any curvilinear effects of duration on reputation and only found one effect for Model 9 in Table 11 with the student quality variable. In this case, the squared duration coefficient was significant and positive and the interaction for tactical outsourcing and duration was negative and significant. The main effect of duration in this model was not significant. This finding was the only significant finding for duration squared and gives no systematic evidence of a curvilinear effect of duration on reputation. This may be in part due to the restriction of range on relationship duration in this sample.

As previously described above, I included a measure of the prior reputation for the analyses detailed here. The effects described above were robust to this inclusion and only one change was noted for Model 9 in Table 12 where

the coefficient for duration was no longer significant after the inclusion of this control. It was however, still significant for Model 7 in Table 12.

Effect of Duration on Perception of Effectiveness

Hypothesis H4b predicted that for longer relationships between institutions and their outsourcing partners that the perception of the effectiveness of the organizational impression management work would be more positive. Models 4 and 6 in Table 13 show that relationship duration has no impact on perceived effectiveness of the organizational impression management work. I also tested for a curvilinear effect of duration on the perception of effectiveness, but did not find any evidence of this type of relationship.

Effect of the Interaction of Duration and Tactical Outsourcing on Reputation

Hypothesis H4c predicted that the interaction of longer relationships between colleges and agencies and higher levels of tactical outsourcing would have a joint positive effect on the reputation of the college. Model 9 in Tables 10 to 12 contains the regressions used to test this hypothesis. From these models, there was no effect of this interaction on the reputation of the college. This was unchanged by the inclusion of prior reputation as a control in supplemental analyses.

Effect of Number of Partners on Reputation

Hypothesis 5a predicted that a greater number of partnerships would have a negative effect on the reputation of the college. Model 7 and 8 in Tables 10 to

12 contain the regressions used to test this hypothesis. The hypothesis is supported for the percent admitted dependent variable. Here Models 7 and 8 in Table 12 show a significant positive effect, which should be interpreted to mean that as the number of partners increases a greater percentage of those applying are admitted to the school. Thus in this case, an increase in the number of partners increases the percentage admitted and thus either reduces the reputation of the institution or reduces the fit between the applicant pool and the institution, supporting the hypothesis.

However it is important to note that for the colleges in this sample, the mean number of partners is just over one partner that a college or university is working with across all activities during the years of this study. Table 14 shows a frequency distribution of this variable that reveals that all but three of the institutions in my sample had a mean of three or fewer partnerships across these activities during the years of the study, and so overall my sample would not be expected to demonstrate the issues that were originally hypothesized for a larger number of partners. Thus further work in this area is necessary to provide a better test of this hypothesis. In supplemental analyses, I included a measure of prior reputation as a control for these analyses. There were no changes in the results detailed above, due to this inclusion.

Effect of the Interaction of Number of Partners and Outsourcing Intensity on Reputation

Hypothesis H5b predicted that there would be a joint negative effect of the number of partners and outsourcing intensity on the reputation of the college.

Model 10 in Tables 10 to 12 contains the results of the regressions that test this hypothesis. From these models, there was no effect of this interaction on the reputation of the college. This is not surprising, given that there was no main effect of outsourcing intensity. The inclusion of prior reputation as a control did not affect these results.

CHAPTER SIX

CONCLUSION AND FUTURE RESEARCH

This study examined the important question of outsourcing effectiveness in the area of professional services. As previously mentioned, outsourcing of services is an important step for an organization, because usually there is a large impact on the human resources and capacities of an organization when a service is outsourced. This large impact on human resources is likely to increase the inertial effects of outsourcing decisions. These decisions may be hard to enter into and, once entered into, it may be difficult to exit from them. However, despite the consequences of such decisions and the frequency of such arrangements, there is very little empirical research that looks at when a service should be outsourced and when it should be completed internally. This research begins to answer this question.

This study focused on two issues of importance when making an outsourcing decision. First, what tasks will be outsourced? Second, to whom will we outsource the work? To answer the first question, I studied the differential effects of outsourcing strategic and tactical tasks on outsourcing effectiveness. To answer the second question, I studied the effects of the duration of outsourcing relationships and the number of outsourcing partners on outsourcing effectiveness. The context in which I studied these issues was organizational impression management work at private colleges and universities.

I argued that strategic tasks should be completed within an organization and that outsourcing these tasks would decrease the reputation of the client organization. I posited that tactical tasks should be completed outside an organization and that the reputation of the client organization would increase if these tasks were outsourced. I predicted that at higher levels of outsourcing intensity the client's reputation would decrease and when more outsourcing relationships were carried on simultaneously the client's reputation would be harmed. However, I hypothesized that clients with longer relationships with their outsourcing partners would see an increase in reputation. Finally, I argued that strategic outsourcing would decrease the client's perception of the effectiveness of organizational impression management work and that longer relationships with outsourcing partners would improve the internal perception of organizational impression management work.

Thus my arguments suggest that only a few partners be chosen and that they be given tactical activities to complete and that they be retained over time so that relationships can develop between the personnel of the client and the agencies. Finally, my arguments suggest that the overall level of outsourcing be kept low. According to my arguments, if these principles are followed reputation will be better than if they are not. Finally, according to my arguments, employees of the client organization will view the work done by outsourcing partners most

favorably if they have developed a long relationship with the outsourcing partner and will view it less favorably if the nature of that work is strategic.

Nature of the Work

The findings of this study provided partial support for my arguments. I found that a higher level of strategic outsourcing led to a lower level of client placement on reputation lists. It had no effect on the student quality at the school but was associated with a lower percentage of applicants admitted from the applicant pool. Although a smaller percent of applicants admitted may indicate an increase in reputation, another possible explanation for the decrease in the percentage of applicants admitted is that higher levels of strategic outsourcing with agencies may confuse the message that is reaching potential applicants so that it is unclear and applicants have trouble self-selecting such that the applicant pool does not fit well with the needs of the institution.

On the other hand, a higher level of tactical outsourcing improved student quality but did not affect the placement on reputation lists or the percent admitted to the school. This pattern of results suggests that reputation percentile and percentage admitted are perhaps more long-term in nature and thus affected by strategic outsourcing. As mentioned before, the activities classified as tactical were used in a tactical manner by the colleges and universities in this sample, according to their survey responses, and this classification does not mean that these activities are inherently tactical in nature. Therefore, tactical outsourcing,

which is more targeted in its approach and focused more on short-term effects, does not affect reputation or percentage admitted, but does affect student quality.

At the same time, overall outsourcing intensity had no effect on the reputation of the client. This is not surprising considering that strategic and tactical outsourcing have somewhat opposite effects on reputation and student quality. Therefore, the evidence indicates that the overall level of outsourcing is not as important as what tasks are chosen for outsourcing.

Nature of the Relationship

When looking at the results of this study in regard to my arguments about the relationships between the client and its agencies, the evidence is again mixed. The duration of the relationships with agencies had a positive effect on the placement on reputation lists. The duration of these relationships also had the expected effects on student quality, which was higher with longer relationship duration.

However, longer duration also increased the percentage of student applicants that were admitted. This result is in the opposite direction than I hypothesized. It may be that longer duration relationships improve the message and increase the fit between the applicant pool and the client's needs. This seems a reasonable explanation given the strong results for this variable for both student quality and reputation percentile.

The finding for number of partners for reputation percentile and student quality is null. As previously mentioned, many of the arguments put forth in Chapter Three had to do with a large number of partners and most of the clients in this sample did not have very many partnerships. Therefore it is not surprising that this hypothesis was not supported for these variables.

However, for the percent admitted variable the hypothesis for the number of partners received support. Thus for organizations with more partners the percentage admitted was also higher. If we follow the logic presented for the previous hypotheses it may be that with more partners we present a better message about who we are and applicants are then able to self-select either into or out of our applicant pool with greater accuracy. This seems likely given the pattern of results that exist in the data and the fact that the variance on this variable is quite limited so as to avoid the negative effects that were hypothesized earlier. Another possible explanation is that with more partners a client is able to reach a wider market and increase the number of potentially acceptable applicants in their applicant pool. The positive effect of number of partners on student quality suggests that this might be the case.

However, the results for the number of outsourcing partners are limited in their generalizability due to the limit in the number of partners that any one client maintained in my sample, thus restricting the range of this variable. The extent of the restriction in range for this variable is noted in Table 14 with only three clients

maintaining more than three relationships on average. For this reason, I feel that my test of this hypothesis is limited in its application to only settings where all clients have few partners. Testing this hypothesis in a setting where there was greater variance in the number of partners used by clients would be a fruitful area for future studies. Therefore, interpreting the results from this study, the evidence argues that outsourcing relationships should be longer in duration, but no general predictions can be made about a number of partners greater than three.

Perceived Effectiveness of Organizational Impression Management Work

The results for the internal perception of the organizational impression management work that is outsourced failed to show evidence that either duration or the outsourcing of strategic activities has any effect on this perception. However, when the outsourcing of strategic activities is lagged by two years, there is a negative effect as hypothesized. This two-year lagged effect is surprising, especially considering that respondents were asked to only consider the activities from the most recent year when answering these questions. Perhaps, this is an indication of a more general perception of effectiveness and an inability to separate out just one year's activities when responding. In addition, it may suggest that the respondents believe that recent actions are not likely to affect reputation quickly.

This may be due to the fact that many other relatively stable attributes of the work are considered in determining whether or not the work completed is

effective. For example, the amount of power or status bestowed on the department and its employees by a particular activity or the difficulty of interactions with specific personnel from the agency could affect this perception of effectiveness and have little to do with the nature of the task or the nature of the relationship at the macro level. Finally, the perceived effectiveness variable, except for one respondent, was reported at four or higher on a 7-point scale and it may be that restriction of range in the variable contributed to this lack of results.

However, it is important to remember that when the control variables are removed as reported in Chapter Five, there is a strong negative effect for strategic outsourcing for both the one-year and two-year lags. Thus, I believe that it is due to the inclusion of non-significant controls that this effect fails to be supported and that there actually is an effect of the level of strategic outsourcing on the perception of the effectiveness of organizational impression management work.

Hypothesized Interactions

Neither of the two interactions that were hypothesized was supported. Hypothesis 4c argued that duration and tactical outsourcing would interact to increase the reputation of the organization. It is not surprising in retrospect, that this hypothesis was not supported given that there tactical activities are sporadic and short-term in nature and thus not as affected by longer duration relationships. These activities most likely do not warrant relationship-specific investments on

the part of either the client or the agency and thus increased duration does not improve tactical outsourcing.

Hypothesis 5b argued that outsourcing intensity and the number of partners would have a joint negative effect on the reputation of the organization. The lack of support for this hypothesis is also not surprising given that the predicted effects of outsourcing intensity were not supported for any of the dependent variables and number of partners was only significant for the percent admitted variable and was in the opposite direction than hypothesized.

Theoretical Contributions

This research examines the relationship between outsourcing organizational impression management activities and the reputation of private colleges and universities. Examining this relationship adds to our understanding of the role of outsourcing in a service setting. This study is also an early empirical study both in the area of organizational impression management and outsourcing. The results from this study contribute to the evolution of theory and research in both of these areas.

This study provides new understanding of how the nature of the task and the attributes of an interorganizational relationship influence the effectiveness of outsourcing. In the area of organizational impression management, this study provides understanding of the role that organizational impression management activities play in the formation of organizational reputation. From this study,

there is empirical evidence that these activities do affect the reputation of a client, even in a relatively short period of time.

In addition this study adds to limited research in the areas of the effects of duration and the number of partnerships on the effectiveness of interorganizational relationships. These two areas have only been the subjects of limited empirical work, even though researchers remain interested in the effectiveness of interorganizational relationships and in the antecedents of effective interorganizational relationships. Most of the work involving these variables has focused on the dissolution and persistence of relationships and not specifically the effectiveness of the relationships (Baker et al., 1998; Broschak, 1999; Fichman and Levinthal, 1991; Levinthal and Fichman, 1988; Seabright et al., 1992). The evidence from this study would suggest that, in general, longer interorganizational relationships are more effective at improving reputation than shorter relationships. This finding may not be true for other outcome measures such as profit, stock price, or return on assets. However for reputation, which is relatively stable, a relationship that matches the nature of the desired outcome seems to be important. Also from the evidence of this study, more partners are associated with higher levels of admittance from the pool of student applicants. This is true, even when controlling for some measures of resources common to private colleges and universities such as size, age, and endowment. While it is difficult to determine if this is due to a decrease in reputation or an increase in the

fit of the applicant pool, it is interesting that clients with more partners are accepting a greater number of their applicants. If one believes that this is due to an improved fit between the applicants and the needs of the client, then this result may indicate that a greater number of partners place the client in a network of ties held by their outsourcing partners that increase the client's effectiveness (Hui, 2003). This may also be due to a restriction in range for the predictor variable. However, I believe that for the limited range of relationships such as reported in this study, the finding is valid.

This study adds more detail to and in some cases challenges the popular notion that all peripheral activities should be outsourced and that only core competencies should remain within an organization. According to this study, activities that are strategic, not only core competencies, in nature (defined as having great impact, being high in complexity, and high in uncertainty) should be retained within an organization. Therefore, some activities that are peripheral should not be outsourced. However, it is unlikely that a core competency will not be strategic and so these results merely expand our knowledge of what activities should remain within an organization. This finding may explain why, in some cases, organizations return outsourced activities to the control of the organization at great cost, or decide not to outsource these activities in the first place, and even why some outsourcing activities seem more effective than others. This study

begins to answer these questions by looking at the nature of the activities that are outsourced, specifically whether they are strategic or tactical in nature.

Where the hypotheses are supported for the nature of activities, this study suggests support for the arguments of transaction cost economics, and resource dependence theory. For the following arguments it is important to note that even though I did not measure the intervening variables, such as the level of firm-specific knowledge that was transferred, my findings are consistent with the processes described in these two theories. Therefore in this case, findings are consistent with the idea that transaction costs are higher for strategic activities than tactical activities, and therefore control for these activities should remain within the organization, and competence in these areas should be developed internally rather than purchased on the market. This may be due to the high level of firm-specific knowledge that must be transferred to succeed in this type of outsourcing effort. Due to this high level of firm-specific knowledge transfer, opportunism is a potential threat and contracts are particularly complex for these types of relationships. This increases the transaction costs associated with this type of outsourcing (Williamson, 1985). Tactical activities on the other hand do not face these same barriers and thus transaction costs may be lower for these activities. Thus in this way, the findings support this proposition of transaction cost economics. The findings for the nature of the activity also support the resource dependence theory since activities that are strategic in nature depend on

developing resources internally that are not easily substitutable and therefore more critical to an organization. On the other hand, tactical activities, which utilize substitutable resources, are better targets for outsourcing by the institution.

The results for the duration of outsourcing relationships support the idea that transaction costs can be reduced in ways that increase the effectiveness of interorganizational relationships over time. For example, many common interactions may have structured procedures put in place that reduce transaction costs and lead to transactions that are closer to internal transactions in their nature. Other reductions may take place through the decrease of opportunism due to increased trust between personnel that have worked together for extended periods and understand the culture and requirements of their partner organization. When partners in a relationship have both invested in relationship-specific assets the transaction costs of continuing the relationship are reduced. It appears that these types of investments can lead to long-term benefits for the client.

Managerial Implications

Since reputation is an important concept for most organizations, this study makes important contributions to managers of organizations. During my preliminary interviews I asked my respondents to describe to me how they measured the success of the organizational impression management work that they engaged in. For the most part, these individuals exhibited frustration and concern that there were few ways to determine whether their activities were

successful and that many of the methods currently in use were inaccurate and inadequate. This study documents the effects of organizational impression management activities on reputation, which is an important outcome variable for managers.

Second, outsourcing is a decision that many managers face on multiple occasions. This study provides an empirical test of the effectiveness of outsourcing based on factors that can be measured by managers before the decision is made (i.e., the nature of an activity or the nature of a relationship with a potential outsourcing partner). In this way, the results from this study help managers make more informed decisions about which activities, especially services, to outsource and which to develop internally. These analyses provide a more fine-grained set of tools that managers can use to make this decision beyond the popular notion of outsourcing whatever is not your core competency.

This ability to make a more informed decision before a relationship is formed is important, since the costs involved in reversing an outsourcing decision are high. To redevelop internal expertise that has been outsourced can be a long process and trust between management and employees is usually reduced after a decision to outsource has been implemented. In addition, contracts with agencies may have expensive penalties for early termination. On the other hand, outsourcing an existing internal function can also be delayed or made more expensive by political or legal battles due to changes in hiring practices and

current power struggles among managers, which are often affected by outsourcing. Thus it is important that tools are available to determine which outsourcing options will have the highest likelihood of effectiveness before investing in their formation.

Finally, for professionals in private colleges and universities, the results of this study suggest how outsourcing organizational impression management work can be used to improve student quality at an institution. First of all, outsourcing tactical activities was shown to be associated with higher quality incoming student classes. Second, maintaining longer relationships with outsourcing partners also showed this pattern of association with higher quality incoming classes. Thus professionals in this area should consider outsourcing in these areas and maintain longer relationships with their partners to improve the quality of their incoming classes.

Limitations

One limitation of the current research is to external validity due to the population selected for study. This study looks at the relationship between outsourcing decisions for organizational impression management work and reputation in the setting of private colleges and universities. As mentioned before, this setting provides a liberal test for the hypotheses in this study, and thus the results may not generalize to other settings where reputation is less visible or

malleable. This limitation should be addressed in future studies now that initial findings have been established by this study.

Another limitation of the current study is that, due to data requirements, much of the data are analyzed at the organizational level or the level of the activity. This allows for preliminary understanding of the relationships in the hypotheses. However, in future studies it would be preferable to analyze the hypotheses with more fine-grained data collection at the dyadic level. This level of analysis, however, would be labor intensive and was not justified with the previous understanding of these areas within the literature.

A final limitation is that the definition of strategic activities that I develop and use in the mail survey does not acknowledge specifically whether or not the activity in question is part of an overall plan for organizational impression management work. This is only captured for the overall strategy of the responding institution and it would have been better to include this aspect for each activity. Thus, what I may have measured instead of a difference between strategic and tactical activities was perhaps a measure of the perceived importance of the activity to the respondent. When answering the survey, the respondent may have associated the types of actions and events that I asked about as most closely being connected to those activities that were perceived as most important. This additional element should be included in future studies of this distinction between strategic and tactical activities.

Directions for Future Research

One possible direction for future research would be to look at how outsourcing organizational impression management work affects internal constituents and their assessments of the reputation of the organization. For this study, I chose to only examine the reputational effects for external constituents. In future studies, it would be interesting to address how internal constituents react to these outsourcing decisions. In this study, I began to look at this with the perceived effectiveness of organizational impression management activities, but this only looked at the perceived effectiveness for one respondent within the organizational impression management function. It would be interesting to look at this for other internal constituents, more generally for employees, or in the case of the current setting for students, faculty, and staff.

In fact, it is disappointing that this study does not provide a greater understanding of how outsourcing decisions affect the perception of internal employees about the effectiveness of the outsourced work. This is an especially important contribution for organizational impression management work, since the results of organizational impression management are often not easily or rapidly discernable. This should be developed in future research. Different predictors could be studied with the effect of perception on future decision-making about outsourcing, such as a more detailed measurement of the quality of relationships between client and agency personnel including a measure of the length of

relationships and a measure of the frequency of unproductive conflict between client and agency personnel. Perhaps as indicated by this study, there is only limited effect of perception on future outsourcing decisions, however, I believe that given the effects of perception on decision-making documented in the literature that such an effect should exist in this type of setting.

A second direction for future study would be to do a similar test from the agency's point of view. This study only looks at the effect on the reputation of the client and the perceived effectiveness from the client's point of view. Within the literature review and the hypothesis generation, there are references to the agency and its role in this process. However, there is no testing of effects of outsourcing decisions on the reputation of the agencies. What forms of outsourcing are most effective for increasing the reputation of agencies and therefore potential future business?

Indeed, it would be interesting if such a study were to find that agencies benefit from different forms of outsourcing than clients, and thus that agencies desired different forms of outsourcing than clients. If this were found to be true, another follow-up study could look at these outsourcing relationships and attempt to predict the balance of power or the probability of dissolution between an agency and a client by the nature of the outsourcing that was done between them.

A third future study could explore additional substitute variables for reputation, which could predict future changes in reputation. If changes in these

variables, due to the outsourcing of organizational impression management work, could be observed in a shorter time frame than changes in reputation, this would allow for better decision making about the continuation or discontinuation of these relationships in a shorter time frame and with less investment. An improved ability to more quickly predict the effectiveness of these relationships should improve the effectiveness of outsourcing organizational impression management work, since this ability would allow organizations to retain effective relationships and terminate those that would not be effective. Also since effects were found with reputation, which tends to be somewhat inertial, it would be interesting to test these hypotheses in a setting where profit, return on investment, revenues, or some other more dynamic outcome measure was used.

Finally, another potential future study could address the next step in this process. While this study looks at some important determinants of the potential effectiveness of outsourcing relationships, it does not address the requirements for setting up an effective relationship after the potential has been determined. Thus the current study suggests that one partner is better than another or one activity is better for outsourcing than another, but it does not inform us about how to effectively organize or maintain an outsourcing relationship to gain the potential benefits of effectiveness that should be greater in certain relationships than others.

Conclusion

To summarize, the current study addresses issues that are important to theory and practice and are understudied in existent organizational research. Both outsourcing and management of organizational reputation are areas that are coming to the forefront in theory and practice. Thus research in these areas is theoretically timely and has a potential for impact on practice in these areas. In addition, both outsourcing and reputation address important theoretical questions. Research on outsourcing contributes to research on organizational design and scope. Research on reputation contributes to research on intangible assets and their effects on organizational performance. This study is one attempt to address how an organizational design decision affects the formation and persistence of a critical intangible asset.

Table 1. Summary of Hypotheses

#	Hypothesis
<i>Outsourcing strategic organizational impression management activities</i>	
H1a	There will be a negative relationship between the level of outsourcing of strategic organizational impression management activities to agencies and both the client's reputation and the quality of incoming students.
H1b	There will be a negative relationship between the level of outsourcing of strategic organizational impression management activities to agencies and the perceived effectiveness of organizational impression management activities.
<i>Outsourcing tactical organizational impression management activities</i>	
H2	There will be a positive relationship between the level of outsourcing of tactical organizational impression management activities to agencies and both the client's reputation and the quality of incoming students.
<i>Outsourcing intensity</i>	
H3	There will be a negative relationship between the outsourcing intensity of a client and both the client's reputation and the quality of incoming students.
<i>Duration</i>	
H4a	There will be a positive relationship between the mean duration of a client's relationships with its agencies and both the client's reputation and the quality of incoming students.
H4b	There will be a positive relationship between the mean duration of a client's relationships with its agencies and the level of perceived effectiveness of organizational impression management activities.
H4c	The mean duration of a client's relationships with agencies and the level of outsourcing of tactical organizational impression management activities will have a joint positive effect on both the client's reputation and the quality of incoming students.
<i>Number of partners</i>	
H5a	There will be a negative relationship between the number of agency partners maintained by a client and both the client's reputation and the quality of incoming students.
H5b	The number of agency partners maintained by a client and the level of outsourcing intensity will have a joint negative effect on both the client's reputation and the quality of incoming students.

Table 2. Description of Sources for Reputation Measure

Name of Source	Years Available	# of Schools Included*	Details
<i>Kiplinger's</i> top 100 values in private colleges	1999	100	Data from Peterson's and Wintergreen-Orchard House, which gathers statistics each year from more than 1,800 schools. Eliminated non-U.S. schools and specialty schools that award degrees only in medical sciences or fine arts. Narrowed the list to the 175 colleges and universities that are the most selective, based on entrance-exam scores of the freshman class and on the percentage of applicants admitted.
<i>Princeton Review's</i> the best colleges ranked by students	pre 1997-2002	311-345	The initial list was built through consultation with a variety of expert sources, including fifty independent educational consultants from throughout the nation. Approximately the top 10 percent are included. Any college in the guide must agree to allow anonymous student surveys to be completed on campus.
Top American research universities	1998-2001	200	Institutions that have more than \$20 million in annual federal research expenditures and that rank within the top 25 on at least one of nine measures fall into the definition of a top research university. They also present a second group of institutions—those ranking 26-50 on the same nine measures. Published by The Center at the University of Florida at Gainesville.
<i>U.S. News and World Report</i> college rankings	pre 1997-2002	1400	<i>U.S. News</i> has based its ranking categories on the Carnegie system since 1983, the year they began publishing college rankings. <i>U.S. News</i> uses the Common Data Set (CDS) from the CDS initiative, a collaborative effort among data providers in the higher education community and publishers as represented by the College Board, Peterson's—Thomson Learning, <i>U.S. News & World Report</i> , and Wintergreen/Orchard House.
<i>Yahoo! Internet Life</i> America's most wired colleges	1997-2001	200	Survey was conducted in partnership with Peterson's, the nation's leading provider of education information in print and online. All 3,631 open-enrollment accredited undergraduate two-year and four-year institutions in the U.S. were invited to participate in 2000, 2001 survey.

* Numbers vary from year to year and in some cases are approximations. Number of schools is the number of institutions that are actually reported on the list whether or not they are part of the population that I am sampling for this study.

Table 3. Dependent Variables, Measures, and Sources

Variable	Measure	Source(s)
Reputation	1. Mean percentile rank across all lists that an institution appears on for each year the list is published.	1. <i>Kiplinger's</i> top 100 values 2. <i>Princeton Review</i> 3. American research universities 4. <i>U.S. News and World Report</i> 5. Most wired colleges
Quality of incoming students	1. Factor comprised of: a. Average GPA of admitted students b. Percentage of freshmen from top 10% of high school class. c. Percentage of freshmen with high admissions test scores (SAT verbal/math scores over 500). 2. Proportion of applicants admitted.	1. <i>Peterson's Guide to Four-Year Colleges</i> 2. Peterson's website (http://www.petersons.com)
Perceived effectiveness of organizational impression management activities	Collected for 2001-02 only. Scale created from the following items: 1. Individuals involved in this activity worked together effectively. 2. Funds allocated to this activity were spent poorly. 3. Projects for this activity were usually completed in an appropriate amount of time. 4. This activity was effective in reaching its goals and objectives.	1. Mail survey sent to study population

Table 4. Independent Variables, Measures, and Sources

Variable	Measure	Source
Outsourcing of strategic organizational impression management activities	1. Proportion of the work for strategic organizational impression management activities for which outsourcing was used per year.	1. Mail survey sent to study population
Outsourcing of tactical organizational impression management activities	1. Proportion of the work for tactical organizational impression management activities for which outsourcing was used per year.	1. Mail survey sent to study population
Outsourcing intensity	1. Proportion of the work for all activities for which outsourcing was used per year.	1. Mail survey sent to study population
Duration of client-agency relationship	1. Mean duration of all client-agency relationships for all years of the study.	1. Mail survey sent to study population
Number of agency partners	1. Mean number of agencies used by a client for all activities for all years.	1. Mail survey sent to study population

Table 5. Control Variables, Measures, and Sources

Variable	Measure	Source
Organizational Size	1. Log of the number of faculty employed.	1. <i>Peterson's Guide to Four-Year Colleges</i>
Affiliation	1. Dichotomous variable indicating whether a school has a religious affiliation (1 = yes).	1. IPEDS
Profit or Non-Profit	1. Dichotomous variable indicated whether a school is for profit or not (1 = yes).	1. IPEDS
Endowment	1. Log of endowment in millions of dollars.	1. <i>Peterson's Guide to Four-Year Colleges</i>
Size of organizational impression management function	1. Size of budget in dollars. 2. Number of FTEs employed.	1. Mail survey sent to study population
Target population	1. Dichotomous variable indicating whether an institution has a regional focus or a national focus (1 = national). 2. Percentage of students enrolled from the state within which the institution is located.	1. <i>Peterson's Guide to Four-Year Colleges</i> 2. Peterson's website 3. Mail survey sent to study population
Age	1. Year in which an institution was founded.	1. <i>Peterson's Guide to Four-Year Colleges</i> 2. Peterson's website
Major institutional change	1. Count indicating whether six major institutional changes affecting organizational impression management work occurred during each year of the study: new president or vice president, new PR leader or reporting structure, change in PR budget, unusual campus crisis, change in academic programs, and other changes specified by the respondent.	1. Mail survey sent to study population

Table 6. Factor Analysis for Student Quality Measures

Items	Rotated Factor 1 Loading	Rotated Factor 2 Loading
<i>Factor 1 Student Quality</i>		
Verbal SAT over 500	0.94	-0.15
Math SAT over 500	0.94	-0.16
Top 10% of High School Class	0.77	-0.51
High School GPA	0.84	-0.26
<i>Factor 2 Percent Admitted</i>		
Percent of Applicants Admitted	-0.18	0.97
<i>Proportion of Variance Explained</i>	<i>0.72</i>	<i>0.16</i>
<i>Eigenvalue</i>	<i>3.59</i>	<i>0.81</i>

Table 7. Items Used to Assess Strategic or Tactical Use of Activities

<i>Importance Item*</i>
Indicate the typical importance of work performed for (<i>activity name</i>), for the 97-98 to 01-02 academic years, to your office's overall public relations and communications efforts.
<i>Complexity Items**</i>
To perform this activity, new procedures were put in place.
Multiple methods were considered or attempted before selecting the actual procedure used to perform this activity.
<i>Impact Items**</i>
New assets (e.g., physical assets, software, subscriptions, etc.) were purchased to support this activity.
People or resources from other departments within our institution performed significant portions of the work on this activity.
Reporting relationships were changed to facilitate performance of this activity.
People were hired or fired to facilitate performance of this activity.
<i>Uncertainty Items**</i>
The central administration was frequently consulted to clarify expectations for this activity.
Employees working on this activity complained about not knowing what they were expected to do.
Significant changes were made to either the size or scope of this activity during this period.

* 1-7 scale ranging from *very unimportant* to *very important*.

** 1-7 scale ranging from *not at all* to *to a large extent*.

Table 8. ANOVA Analysis for Strategic and Tactical Activities

Activity	Strategic Use*	Scheffe Test**	Cronbach's α
Electronic Media	4.90	A	0.84
Print Publications	4.29	B	0.78
Government Relations	3.54	C	0.69
Community Relations	3.42	C	0.72
Media Relations	3.30	C	0.73
News Releases	3.20	C	0.73

* Mean score on 10 items (all on 7 point scale).

** Results of Scheffe test for differences between means. Means with different letters are significantly different from each other at $p < .05$ ($df=523$, $F=36.23$, $p < .0001$).

Table 9. Descriptive Statistics and Pearson Correlation Coefficients

Variable	N	Mean	S.D.	1	2	3	4	5
1. Reputation Percentile	690	.19	.26					
2. Student Quality	285	.00	.99	.56**				
3. Percent Admitted	508	.73	.19	-.25**	-.46**			
4. Perceived Effectiveness	115	5.60	.70	.20*	.25*	.00		
5. Strategic Outsourcing	486	.26	.26	-.24**	-.24**	.18**	-.15	
6. Tactical Outsourcing	521	.06	.15	.03	-.03	.04	.05	.18**
7. Outsourcing Intensity	540	.14	.16	-.12**	-.15*	.18**	-.07	.79**
8. Duration	498	3.29	1.92	.20**	.25**	.10	.08	.12*
9. Number of Partners	690	1.13	1.10	-.02	-.13*	.21**	-.08	.25**
10. Log of # of Faculty	534	4.94	.62	.35**	.38**	-.20**	.11	-.12**
11. Year of Founding	666	1884	44.15	-.43**	-.42**	.29**	-.10	.14**
12. Log of Endowment	480	3.38	1.74	.55**	.71**	-.49**	.04	-.33**
13. Institutional Changes	570	1.08	1.07	.04	-.10	-.03	-.05	.04

*p<.05, **p<.01.

**Table 9. Descriptive Statistics and Pearson Correlation Coefficients
(continued)**

Variable	6	7	8	9	10	11	12
1. Reputation Percentile							
2. Student Quality							
3. Percent Admitted							
4. Perceived Effectiveness							
5. Strategic Outsourcing							
6. Tactical Outsourcing							
7. Outsourcing Intensity	.72**						
8. Duration	.22**	.24**					
9. Number of Partners	.47**	.45**	.16**				
10. Log of # of Faculty	.07	-.00	-.06	-.01			
11. Year of Founding	-.04	.09*	.03	-.05	-.26**		
12. Log of Endowment	.03	-.18**	.15**	-.04	.43**	-.63**	
13. Institutional Changes	.16**	.12**	-.06	.13**	.12**	-.07	-.01

*p<.05, **p<.01.

Table 10. Generalized Estimating Equations Models with Reputation Percentile Dependent Variable*

Variable	1	2	3	4	5	6
Strategic Outsourcing		-.05 (.06)				
Tactical Outsourcing			.22* (.10)			
Outsourcing Intensity				.08 (.09)		
Duration					.04**** (.01)	
# of Partners						.02 (.01)
Tactical Outsourcing x Duration						
Outsourcing Intensity x # of Partners						
Selection Bias Control	.11* (.05)	.11 (.06)	.12* (.06)	.13* (.06)	.17** (.06)	.11* (.05)
Log of # of Faculty	.05* (.02)	.05 (.03)	.03 (.03)	.04 (.03)	.07* (.03)	.05* (.02)
Year of Founding	-.00** (.00)	-.00 (.00)	-.00** (.00)	-.00** (.00)	-.00** (.00)	-.00** (.00)
Log of Endowment	.05**** (.01)	.06**** (.01)	.06**** (.01)	.06**** (.01)	.03** (.01)	.05**** (.01)
Institutional Changes	-.00 (.01)	-.01 (.01)	-.00 (.01)	-.00 (.01)	-.00 (.01)	-.00 (.01)
Firm-Years	368	310	331	346	275	368
-2LL	-16.54	-4.50	-2.78	-1.81	-27.07	-18.55
χ^2 **	146.49***	.58	4.80*	.92	26.15***	2.01

*Standard errors are in parentheses. p-values are 1-tailed for hypotheses and 2-tailed for controls.

*p<.05, **p<.01, ***p<.001, ****p<.0001.

** χ^2 calculated for improvement in model fit over previous model using constrained models with same N as actual model to present accurate improvements in model fit and retain all potential data.

**Table 10. Generalized Estimating Equations Models with Reputation
Percentile Dependent Variable*
(continued)**

Variable	7	8	9	10
Strategic Outsourcing	-.20** (.07)		-.20** (.07)	
Tactical Outsourcing	.18 (.13)		.21 (.25)	
Outsourcing Intensity		-.01 (.10)		-.09 (.20)
Duration	.04**** (.01)	.04**** (.01)	.04**** (.01)	.04**** (.01)
# of Partners	-.01 (.02)	-.01 (.02)	-.01 (.02)	-.02 (.03)
Tactical Outsourcing x Duration			-.01 (.03)	
Outsourcing Intensity x # of Partners				.06 (.14)
Selection Bias Control	.12 (.08)	.21* (.08)	.12 (.08)	.20* (.08)
Log of # of Faculty	.06 (.03)	.07* (.03)	.06 (.03)	.07* (.03)
Year of Founding	-.00* (.00)	-.00** (.00)	-.00* (.00)	-.00** (.00)
Log of Endowment	.03 (.01)	.03* (.01)	.03 (.01)	.03* (.01)
Institutional Changes	-.01 (.01)	-.00 (.01)	-.01 (.01)	-.00 (.01)
Firm-Years	233	263	233	263
-2LL	-15.96	-17.74	-15.98	-17.94
χ^2_{**}	29.26***	25.20***	.02	.20

*Standard errors are in parentheses. p-values are 1-tailed for hypotheses and 2-tailed for controls.

*p<.05, **p<.01, ***p<.001, ****p<.0001.

** χ^2 calculated for improvement in model fit over previous model using constrained models with same N as actual model to present accurate improvements in model fit and retain all potential data.

**Table 11. Generalized Estimating Equations Models with Student Quality
Dependent Variable***

Variable	1	2	3	4	5	6
Strategic Outsourcing		-.44* (.26)				
Tactical Outsourcing			.35 (.39)			
Outsourcing Intensity				-.25 (.33)		
Duration					.11*** (.04)	
# of Partners						-.18*** (.06)
Tactical Outsourcing x Duration						
Outsourcing Intensity x # of Partners						
Selection Bias Control	.50 (.29)	.50 (.29)	.67* (.29)	.47 (.29)	3.58**** (.73)	.20 (.30)
Log of # of Faculty	-.02 (.11)	-.06 (.11)	-.10 (.11)	-.05 (.11)	-.37** (.13)	-.00 (.11)
Year of Founding	-.00 (.00)	.00 (.00)	.00 (.00)	.00 (.00)	-.00 (.00)	-.00 (.00)
Log of Endowment	.36**** (.05)	.36**** (.05)	.35**** (.05)	.37**** (.05)	.21*** (.06)	.39**** (.05)
Institutional Changes	-.14** (.05)	-.14** (.05)	-.15** (.05)	-.14** (.05)	-.11* (.05)	-.13** (.05)
Firm-Years	196	176	182	193	144	196
-2LL	424.26	378.80	387.24	411.80	279.48	414.17
χ^2 **	128.35***	2.94	.80	.55	9.80**	10.09**

*Standard errors are in parentheses. p-values are 1-tailed for hypotheses and 2-tailed for controls.

*p<.05, **p<.01, ***p<.001, ****p<.0001.

** χ^2 calculated for improvement in model fit over previous model using constrained models with same N as actual model to present accurate improvements in model fit and retain all potential data.

**Table 11. Generalized Estimating Equations Models with Student Quality
Dependent Variable*
(continued)**

Variable	7	8	9	10
Strategic Outsourcing	.06 (.28)		.03 (.28)	
Tactical Outsourcing	1.26** (.51)		4.18* (2.49)	
Outsourcing Intensity		.25 (.36)		.09 (.77)
Duration	.12*** (.04)	.11*** (.04)	.13*** (.04)	.11*** (.04)
# of Partners	-.06 (.06)	-.09 (.06)	-.05 (.07)	-.10 (.10)
Tactical Outsourcing x Duration			-.89 (.74)	
Outsourcing Intensity x # of Partners				.12 (.54)
Selection Bias Control	3.75**** (.81)	3.25**** (.77)	3.68**** (.81)	3.27**** (.78)
Log of # of Faculty	-.45*** (.13)	-.36** (.13)	-.46*** (.13)	-.36** (.13)
Year of Founding	-.00 (.00)	-.00 (.00)	-.00 (.00)	-.00 (.00)
Log of Endowment	.21*** (.06)	.23*** (.06)	.22*** (.06)	.23*** (.06)
Institutional Changes	-.12** (.05)	-.11* (.05)	-.13** (.05)	-.11* (.05)
Firm-Years	128	144	128	144
-2LL	242.33	277.31	240.91	277.26
χ^2_{**}	16.07**	11.97**	1.42	.05

*Standard errors are in parentheses. p-values are 1-tailed for hypotheses and 2-tailed for controls.

*p<.05, **p<.01, ***p<.001, ****p<.0001.

** χ^2 calculated for improvement in model fit over previous model using constrained models with same N as actual model to present accurate improvements in model fit and retain all potential data.

Table 12. Generalized Estimating Equations Models with Percent Admitted Dependent Variable*

Variable	1	2	3	4	5	6
Strategic Outsourcing		.02 (.04)				
Tactical Outsourcing			.07 (.07)			
Outsourcing Intensity				.12* (.06)		
Duration					.01** (.00)	
# of Partners						.04**** (.01)
Tactical Outsourcing x Duration						
Outsourcing Intensity x # of Partners						
Selection Bias Control	-.16**** (.04)	-.21**** (.04)	-.20**** (.04)	-.19**** (.04)	-.12** (.04)	-.14**** (.03)
Log of # of Faculty	.03 (.02)	.05* (.02)	.03* (.02)	.03* (.02)	.02 (.02)	.03 (.02)
Year of Founding	.00 (.00)	-.00 (.00)	-.00 (.00)	-.00 (.00)	.00 (.00)	.00 (.00)
Log of Endowment	-.04**** (.01)	-.05**** (.01)	-.05**** (.01)	-.05**** (.01)	-.03*** (.01)	-.04**** (.01)
Institutional Changes	-.01 (.01)	-.01 (.01)	-.01 (.01)	-.01 (.01)	.00 (.01)	-.02 (.01)
Firm-Years	358	304	323	337	270	358
-2LL	-270.04	-240.72	-247.84	-263.57	-266.64	-291.86
χ^2 **	118.42***	.28	1.05	4.17*	6.43*	19.82***

*Standard errors are in parentheses. p-values are 1-tailed for hypotheses and 2-tailed for controls.

*p<.05, **p<.01, ***p<.001, ****p<.0001.

** χ^2 calculated for improvement in model fit over previous model using constrained models with same N as actual model to present accurate improvements in model fit and retain all potential data.

**Table 12. Generalized Estimating Equations Models with Percent Admitted
Dependent Variable*
(continued)**

Variable	7	8	9	10
Strategic Outsourcing	-.07* (.04)		-.07* (.04)	
Tactical Outsourcing	-.04 (.08)		-.07 (.15)	
Outsourcing Intensity		.02 (.06)		.10 (.13)
Duration	.01* (.01)	.01 (.01)	.01* (.01)	.01 (.01)
# of Partners	.03** (.01)	.03** (.01)	.03** (.01)	.04** (.02)
Tactical Outsourcing x Duration			.00 (.02)	
Outsourcing Intensity x # of Partners				-.06 (.09)
Selection Bias Control	-.17*** (.05)	-.13** (.05)	-.17** (.05)	-.13** (.05)
Log of # of Faculty	.02 (.02)	.03 (.02)	.02 (.02)	.03 (.02)
Year of Founding	-.00 (.00)	.00 (.00)	-.00 (.00)	.00 (.00)
Log of Endowment	-.03*** (.01)	-.03*** (.01)	-.03*** (.01)	-.03*** (.01)
Institutional Changes	.00 (.01)	-.00 (.01)	.00 (.01)	-.00 (.01)
Firm-Years	231	258	231	258
-2LL	-244.91	-268.78	-244.96	-269.28
χ^2_{**}	14.95**	13.42**	.05	.50

*Standard errors are in parentheses. p-values are 1-tailed for hypotheses and 2-tailed for controls.

*p<.05, **p<.01, ***p<.001, ****p<.0001.

** χ^2 calculated for improvement in model fit over previous model using constrained models with same N as actual model to present accurate improvements in model fit and retain all potential data.

Table 13. OLS Results with Perceived Effectiveness Dependent Variable*

Variable	1	2	3	4	5	6
Strategic Outsourcing 00-01		-.77** (.32)		-.64* (.32)		
Strategic Outsourcing 99-00					-.87** (.32)	-.83** (.30)
Duration			.03 (.03)	.03 (.04)		.05 (.04)
Selection Bias Control	.29 (.28)	.19 (.28)	.49 (.29)	.42 (.30)	.18 (.27)	.28 (.29)
Log of Endowment	-.00 (.04)	-.05 (.05)	-.08 (.04)	-.13* (.05)	-.07 (.05)	-.13* (.05)
Institutional Changes	.03 (.07)	-.01 (.06)	.08 (.06)	-.01 (.06)	.01 (.07)	.09 (.07)
N	98	85	73	66	76	60
Overall model F	.63	1.79	1.83	2.04	2.39	2.99*
Adj. R-squared	-.01	.04	.04	.07	.07	.14

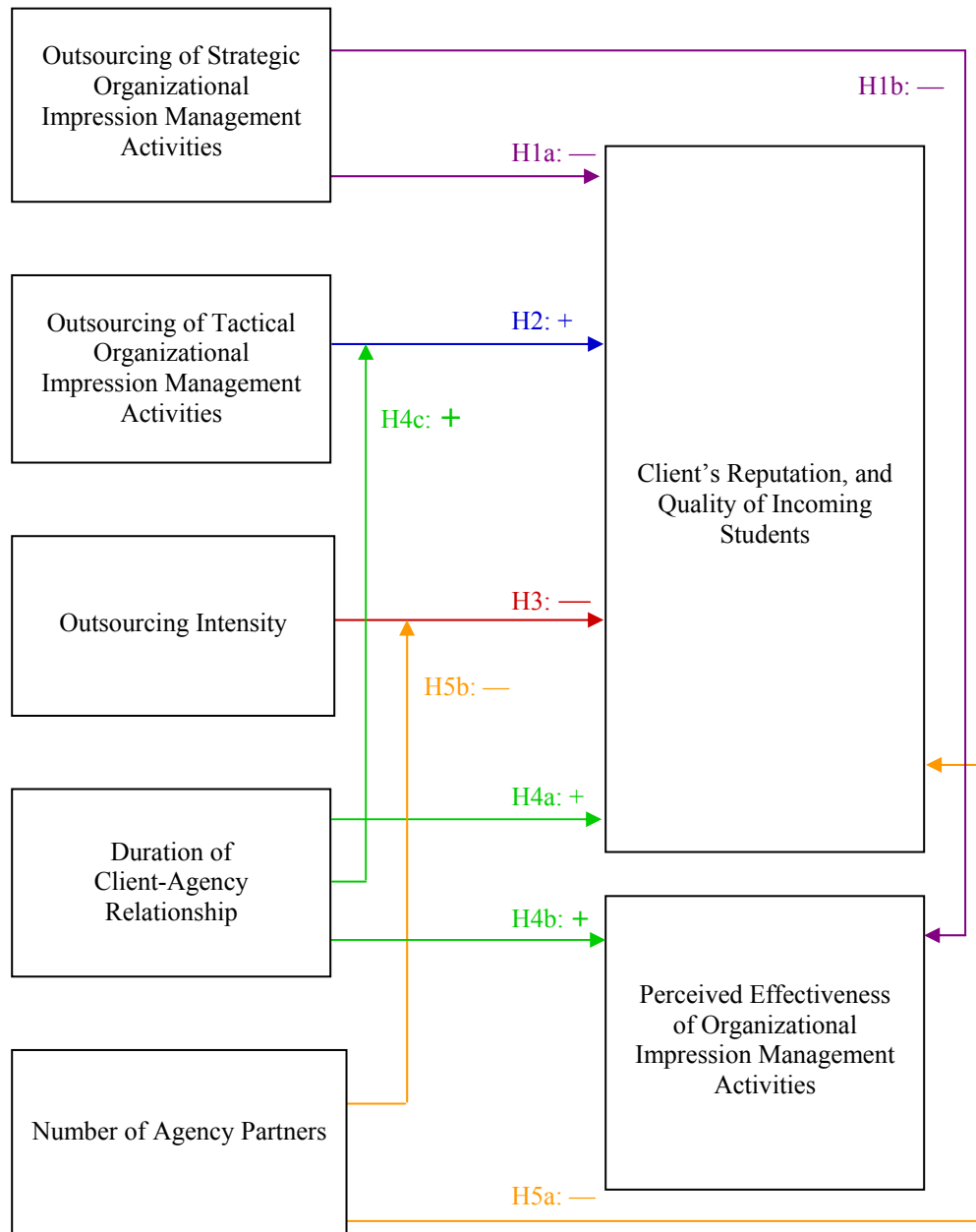
*Standard errors are in parentheses. p-values are 1-tailed for hypotheses and 2-tailed for controls.

*p<.05, **p<.01, ***p<.001, ****p<.0001.

Table 14. Mean Number of Partners: Frequency Distribution

Mean Number of Partners	Number of Institutions
0	14
0.1-1.0	54
1.1-2.0	34
2.1-3.0	10
3.1-4.0	0
4.1-5.0	2
5.1-8.0	0
8.1-9.0	1
<i>Total Institutions</i>	<i>115</i>

Figure 1. Diagram of Hypotheses



APPENDIX A. SEMI-STRUCTURED TELEPHONE SURVEY PROTOCOL

Which public relations activities are most frequently taken at private colleges and universities?

What times of year are not as busy for PR professionals at colleges and universities and thus would be better for filling out a survey?

What are common organizational events (like a change in administration) that are likely to affect PR work at a university?

What is the range of discretion that PR officers have over outsourcing decisions?

What would be a good way to define public relations work in my survey?

What is the best measure that I could request of the percent of PR work that is outsourced (i.e., budget, time worked, etc.)?

Appendix B. Mail Survey of Chief Public Relations Officers



McCOMBS SCHOOL OF BUSINESS
The University of Texas at Austin

Dear Public Relations and Communications Professional:

I am studying the outsourcing of public relations and communications work in higher education to determine the situations in which outsourcing is most effective. I am conducting this research as part of my dissertation at the University of Texas at Austin. I am mailing this survey to approximately 1000 small to medium-sized private colleges and universities in the United States.

In discussions with public relations and communications professionals working at private colleges and universities, I have come to recognize that your time is valuable. For this reason, I have spent hours refining this survey in discussion with your colleagues from around the country. I have also spoken with representatives of the Council for Advancement and Support of Education (CASE) and they have indicated interest in reviewing the results of my research for possible publication in either the *International Journal of Educational Advancement* or *CURRENTS* magazine.

However, to receive the most accurate results, it is essential that as many people as possible participate in the survey and provide candid responses to the requested information. There are no right or wrong answers to the survey items. **Based on my pretesting, this survey should take between 30 and 45 minutes to complete.** You are not obligated to participate in this research nor must you answer every question. If you choose not to participate, it will not affect your current or future relationships with The University of Texas at Austin.

Your responses to this survey will be completely confidential. Return your survey in the business reply envelope provided by Friday, October 18, 2002. All information gathered as part of this project will be treated in strictest confidence and kept under conditions of security. I will provide only a summary of general trends and statistical relationships across all the institutions participating in this study. Specific individuals, jobs, and institutions will **not** be named in this summary.

If this survey reached you by mistake, please forward this survey to the individual at your institution that would best be able to respond to questions about the following areas: news releases, media relations, print publications, electronic media (including website development), community relations, and state and federal government relations.

Thank you for your willingness to complete this important study about outsourcing practices for public relations and communications activities in higher education. If you would prefer to complete the survey electronically, it can be downloaded in either Microsoft Word or Adobe Acrobat Reader formats at ***<http://www.bus.utexas.edu/faculty/Kevin.Dickson/survey.htm>*** and returned to me by e-mail. If you want a brief summary of the results e-mailed to you by the Fall of 2003, send me your e-mail address and a request for the results. If you have any questions about this survey, contact me, or my dissertation supervisor, directly.

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PUBLIC RELATIONS AND COMMUNICATIONS OUTSOURCING SURVEY

FREQUENTLY ASKED QUESTIONS

What if I am unsure how you are defining a term in the survey or my institution defines a term differently than you do?

In many cases, terminology varies between institutions. If you are unsure of the meaning of a term in the survey or define a term differently than the definition provided here, use the definitions provided in the survey when answering to keep responses comparable. Definitions are intended *only as clarification for this survey and not as general usage definitions*. All definitions will be formatted within a box like the three general definitions provided here.

Outsourcing: *The use of outsourcing partners (either individuals or organizations) contracted to perform work for your institution. This does not include work done by other offices within your institution. Outsourcing refers exclusively to the use of individuals that are not officially employees of your institution.*

Outsourcing partner: *An organization or individual that does work for your department, whether they are paid out of your budget or not. This can include consultants, agencies, free-lancers, contractors, etc. This would not include part-time employees.*

Public relations and communications work: *Refers only to work in the six areas covered in this survey: news releases, media relations, print publications, electronic media, community relations, and state and federal government relations. These activities are only some of the activities that can be classified as either public relations or communications work. They were selected because professionals working in private colleges and universities identified them as important aspects of their work. A specific definition of each activity precedes the section of the survey that asks about each activity.*

What if I work in some of the areas, but others are performed by other offices on campus?

If you do work in more of these areas than any other single office on campus, fill out the sections handled by your office and leave the other sections blank. If another office on campus handles more of these areas than you do, please forward the survey to them.

What if I wasn't here for all the years covered in the survey?

The survey asks you to report on six specific activities in the area of public relations and communications for the academic years 97-98 to 01-02. If you were not working in your current position during this entire period, fill in the information for the years you were there and gather the information for the years you were not there as well as you can using records and information from your current staff that worked in your office during this period.

Do I report on just outsourced work or do I include work done by my own office?

For all questions, unless specifically stated, the survey asks for both work done by outsourcing partners and work done by your own office. Report on both together when you answer the questions about each activity.

When the survey mentions you or your, who is it referring to?

Unless otherwise specifically stated, the survey refers to your office and the staff and budget of that office. It does not refer to work done by individuals in other offices in your institution unless specifically stated.

The survey begins on the next page.

SECTION I. YOU AND YOUR INSTITUTION

1. How long have you worked in public relations and/or communications?
_____ years

2. What college or university do you work for? _____

3. How long have you worked for this college or university?
_____ years _____ months

4. Do you view your college or university as primarily reaching out to a national or regional/local student base? (Mark only one box.)

National
☐

Regional/Local
☐

5. What is the title of the department that you work in? _____

6. What is your current job title? _____

7. How long have you had this job title? _____ years _____ months

For items 8 to 10, consider how well articulated and how well utilized your overall strategy is for public relations and communications work, whether completed within your office or through outsourcing efforts.

8. Does your office have an explicit public relations and communications strategy?

Yes. If yes, answer 9 and 10 below.
☐

No. If no, skip to 11 below.
☐

9. How well articulated is your current public relations and communications strategy?

Not well articulated

Partially articulated

Very well articulated

☐☐☐☐☐☐☐

10. How well is your current public relations and communications strategy followed?

Not followed

Partially followed

Closely followed

☐☐☐☐☐☐☐

11. What is the length of your budgetary cycle in months? _____ months

12. Indicate your total office budget in dollars and the number of full-time equivalent (FTE) positions in your office for the academic years below (indicate n/a if not available).

Year	Budget	FTEs	Year	Budget	FTEs
97-98	\$		00-01	\$	
98-99	\$		01-02	\$	
99-00	\$				

SECTION II. MAJOR INSTITUTIONAL EVENTS

1. Indicate whether each of the items occurred in your institution and the academic year(s) in which it occurred. If you are unsure of the definition used in the survey for one of these items, refer to the definitions provided below the question.

Event	97-98	98-99	99-00	00-01	01-02
a. New president or vice-president	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. New PR/comm leader or reporting structure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Change in PR/comm budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Significant and unusual campus-related crisis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Change in academic programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Other (specify):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

New president or vice-president: *A change in the administration of the institution at the presidential or vice-presidential level.*

New PR/comm leader or reporting structure: *A new chief public relations or communications officer at the institution or a change in the direct reporting structure of the chief public relations or communications officer.*

Change in PR/comm budget: *A change in the budget of the institution that either significantly increases or decreases the resources available for public relations and communications work. This may be an increase or decrease in a budget originating outside your department. This could also be a change in the availability of funds. For example, new requirements for approval of funds could be implemented that decrease the likelihood of approval for expenditures.*

Significant and unusual campus-related crisis: *A significant and unusual crisis within your institution. For example, a threatened strike by staff or serious injury or death of a student. This does not include national or regional crises, but only those crises that affect your campus specifically. This also does not include more routine events that require your immediate attention.*

Change in academic programs: *A significant change in the academic offerings of your institution. For example, the addition of night classes for non-traditional students or the addition of new majors or departments.*

SECTION III. PUBLIC RELATIONS AND COMMUNICATIONS ACTIVITIES

Activity 1: News Releases

News releases: Releases either in paper or electronic form that are created and distributed for the purpose of sharing information about the actions of your institution with various audiences.

If your office **did not** participate in **news releases**, as defined above, for the academic years 97-98 to 01-02, mark the box below and skip to **Activity 2 Media Relations**.

☐ MY OFFICE DID NOT PARTICIPATE IN **news releases** FOR THE ACADEMIC YEARS 97-98 TO 01-02.

1. Mark the boxes for the academic years your office participated in **news releases** and estimate the percentage of work for this activity that your office outsourced for each academic year.

Mark the years that outsourcing partners for this activity were chosen either by you or another staff member within your office and the years they were selected by an individual outside of your office. Select both c and d below if both apply for a particular year.

News Releases	97-98	98-99	99-00	00-01	01-02
a. Participated in this activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Estimated percent of work for this activity outsourced	_____ %	_____ %	_____ %	_____ %	_____ %
c. Outsourcing partners were selected by staff in my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Outsourcing partners were selected by an individual outside my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. List a unique abbreviation for up to the five most important outsourcing partners (agencies, consultants, free-lancers, etc.) your office used for **news releases**. If you use the same partner for more than one activity, please be consistent with abbreviations across activities.

Enter the total number of years that your office has worked with each partner on **any** public relations or communications activity, and mark the academic years that your office used each partner for **news releases**.

Partner	Total Years	Used in 97-98	Used in 98-99	Used in 99-00	Used in 00-01	Used in 01-02
a.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. If your office used more than five partners during the academic years 97-98 to 01-02 for **news releases**, list the total number of partners that your office used.

Total outsourcing partners from 97-98 to 01-02 for **news releases**:
 _____ partners

4. Indicate the typical importance of work performed for **news releases**, for the 97-98 to 01-02 academic years, to your office's overall public relations and communications efforts.

Very unimportant Average importance Very important
☐ ☐ ☐ ☐ ☐ ☐

For items 5-14, mark the box that best describes to what extent each statement typically applies to work performed for **news releases** between the 97-98 and 01-02 academic years.

Statement	Not at all	To some extent	To a large extent	n/a
5. To perform this activity, new procedures were put in place.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
6. New assets (e.g., physical assets, software, subscriptions, etc.) were purchased to support this activity.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>
7. The central administration was frequently consulted to clarify expectations for this activity.	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>

8. Multiple methods were considered or attempted before selecting the actual procedure used to perform this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Significant changes were made to either the size or scope of this activity during this period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. People or resources from other departments within our institution performed significant portions of the work on this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Employees working on this activity complained about not knowing what they were expected to do.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Reporting relationships were changed to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. It was easy to determine the success of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. People were hired or fired to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

News Releases Academic Year 2001-2002 ONLY

Items 15-18 deal with work performed for **news releases** in the academic year 01-02. Mark the box that best describes how much you agree or disagree with each statement in regard to work performed for **news releases** in the academic year 01-02.

If your office **did NOT** participate in **news releases** in the academic year 01-02, skip to question 19 below.

Statement	Strongly Disagree			Neutral		Strongly Agree		n/a
15. Individuals involved in this activity worked together effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Funds allocated to this activity were spent poorly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. Projects for this activity were usually completed in an appropriate amount of time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. This activity was effective in reaching its goals and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. If you want to include more information about your answers for **news releases**, use this space to clarify any of the answers given for this activity.

Activity 2: Media Relations

Media relations: Work done with the purpose of creating, maintaining, and/or utilizing relationships with media personnel and organizations. This does not include news releases.

If your office **did not** participate in **media relations**, as defined above, for the academic years 97-98 to 01-02, mark the box below and skip to *Activity 3 Print Publications*.

☐ MY OFFICE DID NOT PARTICIPATE IN **media relations** FOR THE ACADEMIC YEARS 97-98 TO 01-02.

1. Mark the boxes for the academic years your office participated in **media relations** and estimate the percentage of work for this activity that your office outsourced for each academic year.

Mark the years that outsourcing partners for this activity were chosen either by you or another staff member within your office and the years they were selected by an individual outside of your office. Select both c and d below if both apply for a particular year.

Media Relations	97-98	98-99	99-00	00-01	01-02
a. Participated in this activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b. Estimated percent of work for this activity outsourced	_____ %	_____ %	_____ %	_____ %	_____ %
c. Outsourcing partners were selected by staff in my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Outsourcing partners were selected by an individual outside my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. List a unique abbreviation for up to the five most important outsourcing partners (agencies, consultants, free-lancers, etc.) your office used for **media relations**. If you use the same partner for more than one activity, please be consistent with abbreviations across activities.

Enter the total number of years that your office has worked with each partner on **any** public relations or communications activity, and mark the academic years that your office used each partner for **media relations**.

Partner	Total Years	Used in 97-98	Used in 98-99	Used in 99-00	Used in 00-01	Used in 01-02
a.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. If your office used more than five partners during the academic years 97-98 to 01-02 for **media relations**, list the total number of partners that your office used.

Total outsourcing partners from 97-98 to 01-02 for **media relations**:
 _____ partners

4. Indicate the typical importance of work performed for **media relations**, for the 97-98 to 01-02 academic years, to your office's overall public relations and communications efforts.

Very unimportant **Average importance** **Very important**
☐ ☐ ☐ ☐ ☐ ☐ ☐

For items 5-14, mark the box that best describes to what extent each statement typically applies to work performed for **media relations** between the 97-98 and 01-02 academic years.

Statement	Not at all			To some extent	To a large extent			n/a
5. To perform this activity, new procedures were put in place.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. New assets (e.g., physical assets, software, subscriptions, etc.) were purchased to support this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The central administration was frequently consulted to clarify expectations for this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Multiple methods were considered or attempted before selecting the actual procedure used to perform this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Significant changes were made to either the size or scope of this activity during this period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. People or resources from other departments within our institution performed significant portions of the work on this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Employees working on this activity complained about not knowing what they were expected to do.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Reporting relationships were changed to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. It was easy to determine the success of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. People were hired or fired to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Media Relations Academic Year 2001-2002 ONLY

Items 15-18 deal with work performed for **media relations** in the academic year 01-02. Mark the box that best describes how much you agree or disagree with each statement in regard to work performed for **media relations** in the academic year 01-02.

If your office **did NOT** participate in **media relations** in the academic year 01-02, skip to question 19 below.

Statement	Strongly Disagree			Neutral	Strongly Agree			n/a
15. Individuals involved in this activity worked together effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Funds allocated to this activity were spent poorly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Projects for this activity were usually completed in an appropriate amount of time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. This activity was effective in reaching its goals and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. If you want to include more information about your answers for **media relations**, use this space to clarify any of the answers given for this activity.

Activity 3: *Print Publications*

Print publications: *Publications distributed in print form, created or overseen by your office, to communicate and improve the image and reputation of your institution and/or influence constituencies to act so as to benefit your institution. These publications may also be distributed through electronic media but should be primarily created for distribution in print form.*

If your office **did not** participate in **print publications**, as defined above, for the academic years 97-98 to 01-02, mark the box below and skip to **Activity 4 Electronic Media**.

☐ MY OFFICE DID NOT PARTICIPATE IN **print publications** FOR THE ACADEMIC YEARS 97-98 TO 01-02.

1. Mark the boxes for the academic years your office participated in **print publications** and estimate the percentage of work for this activity that your office outsourced for each academic year.

Mark the years that outsourcing partners for this activity were chosen either by you or another staff member within your office and the years they were selected by an individual outside of your office. Select both c and d below if both apply for a particular year.

Print Publications	97-98	98-99	99-00	00-01	01-02
a. Participated in this activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Estimated percent of work for this activity outsourced	_____ %	_____ %	_____ %	_____ %	_____ %
c. Outsourcing partners were selected by staff in my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Outsourcing partners were selected by an individual outside my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. List a unique abbreviation for up to the five most important outsourcing partners (agencies, consultants, free-lancers, etc.) your office used for **print publications**. If you use the same partner for more than one activity, please be consistent with abbreviations across activities.

Enter the total number of years that your office has worked with each partner on **any** public relations or communications activity, and mark the academic years that your office used each partner for **print publications**.

Partner	Total Years	Used in 97-98	Used in 98-99	Used in 99-00	Used in 00-01	Used in 01-02
a.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. If your office used more than five partners during the academic years 97-98 to 01-02 for **print publications**, list the total number of partners that your office used.

Total outsourcing partners from 97-98 to 01-02 for **print publications**:
 _____ partners

4. Indicate the typical importance of work performed for **print publications**, for the 97-98 to 01-02 academic years, to your office's overall public relations and communications efforts.

Very unimportant **Average importance** **Very important**
☐ ☐ ☐ ☐ ☐ ☐ ☐

For items 5-14, mark the box that best describes to what extent each statement typically applies to work performed for **print publications** between the 97-98 and 01-02 academic years.

Statement	Not at all			To some extent	To a large extent			n/a
5. To perform this activity, new procedures were put in place.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. New assets (e.g., physical assets, software, subscriptions, etc.) were purchased to support this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The central administration was frequently consulted to clarify expectations for this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Multiple methods were considered or attempted before selecting the actual procedure used to perform this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Significant changes were made to either the size or scope of this activity during this period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. People or resources from other departments within our institution performed significant portions of the work on this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Employees working on this activity complained about not knowing what they were expected to do.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Reporting relationships were changed to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. It was easy to determine the success of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. People were hired or fired to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Print Publications Academic Year 2001-2002 ONLY

Items 15-18 deal with work performed for ***print publications*** in the academic year 01-02. Mark the box that best describes how much you agree or disagree with each statement in regard to work performed for ***print publications*** in the academic year 01-02.

If your office **did NOT** participate in ***print publications*** in the academic year 01-02, skip to question 19 below.

Statement	Strongly Disagree			Neutral			Strongly Agree			n/a
15. Individuals involved in this activity worked together effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Funds allocated to this activity were spent poorly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Projects for this activity were usually completed in an appropriate amount of time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. This activity was effective in reaching its goals and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. If you want to include more information about your answers for ***print publications***, use this space to clarify any of the answers given for this activity.

Activity 4: *Electronic Media*

Electronic media: *Publications distributed through electronic media (including video, radio, television, CD, DVD, internet, etc.) created or overseen by your office, to communicate and improve the image and reputation of your institution and/or influence constituencies to act so as to benefit your institution. This includes your institution's website.* These publications are usually not distributed through printed media and are primarily created for electronic distribution.

If your office **did not** participate in **electronic media**, as defined above, for the academic years 97-98 to 01-02, mark the box below and skip to *Activity 5 Community Relations*.

☐ MY OFFICE DID NOT PARTICIPATE IN **electronic media** FOR THE ACADEMIC YEARS 97-98 TO 01-02.

1. Mark the boxes for the academic years your office participated in **electronic media** and estimate the percentage of work for this activity that your office outsourced for each academic year.

Mark the years that outsourcing partners for this activity were chosen either by you or another staff member within your office and the years they were selected by an individual outside of your office. Select both c and d below if both apply for a particular year.

Electronic Media	97-98	98-99	99-00	00-01	01-02
a. Participated in this activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Estimated percent of work for this activity outsourced	_____ %	_____ %	_____ %	_____ %	_____ %
c. Outsourcing partners were selected by staff in my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Outsourcing partners were selected by an individual outside my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. List a unique abbreviation for up to the five most important outsourcing partners (agencies, consultants, free-lancers, etc.) your office used for **electronic media**. If you use the same partner for more than one activity, please be consistent with abbreviations across activities.

Enter the total number of years that your office has worked with each partner on **any** public relations or communications activity, and mark the academic years that your office used each partner for **electronic media**.

Partner	Total Years	Used in 97-98	Used in 98-99	Used in 99-00	Used in 00-01	Used in 01-02
a.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. If your office used more than five partners during the academic years 97-98 to 01-02 for **electronic media**, list the total number of partners that your office used.

Total outsourcing partners from 97-98 to 01-02 for **electronic media**:
 _____ partners

4. Indicate the typical importance of work performed for **electronic media**, for the 97-98 to 01-02 academic years, to your office's overall public relations and communications efforts.

Very unimportant Average importance Very important
☐ ☐ ☐ ☐ ☐ ☐ ☐

For items 5-14, mark the box that best describes to what extent each statement typically applies to work performed for **electronic media** between the 97-98 and 01-02 academic years.

Statement	Not at all	To some extent	To a large extent	n/a
5. To perform this activity, new procedures were put in place.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. New assets (e.g., physical assets, software, subscriptions, etc.) were purchased to support this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The central administration was frequently consulted to clarify expectations for this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Multiple methods were considered or attempted before selecting the actual procedure used to perform this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Significant changes were made to either the size or scope of this activity during this period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. People or resources from other departments within our institution performed significant portions of the work on this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Employees working on this activity complained about not knowing what they were expected to do.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Reporting relationships were changed to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. It was easy to determine the success of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. People were hired or fired to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Electronic Media Academic Year 2001-2002 ONLY

Items 15-18 deal with work performed for **electronic media** in the academic year 01-02. Mark the box that best describes how much you agree or disagree with each statement in regard to work performed for **electronic media** in the academic year 01-02.

If your office **did NOT** participate in **electronic media** in the academic year 01-02, skip to question 19 below.

Statement	Strongly Disagree	Neutral	Strongly Agree	n/a
15. Individuals involved in this activity worked together effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Funds allocated to this activity were spent poorly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Projects for this activity were usually completed in an appropriate amount of time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. This activity was effective in reaching its goals and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. If you want to include more information about your answers for **electronic media**, use this space to clarify any of the answers given for this activity.

Activity 5: Community Relations

Community relations: *Work done with the purpose of creating, maintaining, and/or utilizing relationships with community constituencies important to your institution, excluding the media and state and federal governments. For example, this may include residents of local cities, counties, states, K-12 schools, local city government, local county government, local and area businesses, and trade or professional associations.*

If your office **did not** participate in **community relations**, as defined above, for the academic years 97-98 to 01-02, mark the box below and skip to Activity 6 *State and Federal Government Relations*.

☐ MY OFFICE DID NOT PARTICIPATE IN **community relations** FOR THE ACADEMIC YEARS 97-98 TO 01-02.

1. Mark the boxes for the academic years your office participated in **community relations** and estimate the percentage of work for this activity that your office outsourced for each academic year.

Mark the years that outsourcing partners for this activity were chosen either by you or another staff member within your office and the years they were selected by an individual outside of your office. Select both c and d below if both apply for a particular year.

Community Relations	97-98	98-99	99-00	00-01	01-02
a. Participated in this activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Estimated percent of work for this activity outsourced	_____%	_____%	_____%	_____%	_____%
c. Outsourcing partners were selected by staff in my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

d. Outsourcing partners were selected by an individual outside my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2. List a unique abbreviation for up to the five most important outsourcing partners (agencies, consultants, free-lancers, etc.) your office used for **community relations**. If you use the same partner for more than one activity, please be consistent with abbreviations across activities.

Enter the total number of years that your office has worked with each partner on **any** public relations or communications activity, and mark the academic years that your office used each partner for **community relations**.

Partner	Total Years	Used in 97-98	Used in 98-99	Used in 99-00	Used in 00-01	Used in 01-02
a.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. If your office used more than five partners during the academic years 97-98 to 01-02 for **community relations**, list the total number of partners that your office used.

Total outsourcing partners from 97-98 to 01-02 for **community relations**:
 _____ partners

4. Indicate the typical importance of work performed for **community relations**, for the 97-98 to 01-02 academic years, to your office's overall public relations and communications efforts.

Very unimportant Average importance Very important
☐ ☐ ☐ ☐ ☐ ☐ ☐

For items 5-14, mark the box that best describes to what extent each statement typically applies to work performed for **community relations** between the 97-98 and 01-02 academic years.

Statement	Not at all			To some extent	To a large extent			n/a
5. To perform this activity, new procedures were put in place.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. New assets (e.g., physical assets, software, subscriptions, etc.) were purchased to support this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The central administration was frequently consulted to clarify expectations for this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Multiple methods were considered or attempted before selecting the actual procedure used to perform this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Significant changes were made to either the size or scope of this activity during this period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. People or resources from other departments within our institution performed significant portions of the work on this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Employees working on this activity complained about not knowing what they were expected to do.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Reporting relationships were changed to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. It was easy to determine the success of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. People were hired or fired to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Community Relations Academic Year 2001-2002 ONLY

Items 15-18 deal with work performed for **community relations** in the academic year 01-02. Mark the box that best describes how much you agree or disagree with each statement in regard to work performed for **community relations** in the academic year 01-02.

If your office **did NOT** participate in **community relations** in the academic year 01-02, skip to question 19 below.

Statement	Strongly Disagree			Neutral			Strongly Agree			n/a
15. Individuals involved in this activity worked together effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Funds allocated to this activity were spent poorly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Projects for this activity were usually completed in an appropriate amount of time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. This activity was effective in reaching its goals and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. If you want to include more information about your answers for **community relations**, use this space to clarify any of the answers given for this activity.

Activity 6: State and Federal Government Relations

State and federal government relations: *Work done with the purpose of creating, maintaining, and/or utilizing relationships with state or federal government constituencies important to your institution. This includes any departments of the state and federal governments. This will be hereafter referred to as **government relations**.*

If your office **did not** participate in **government relations**, as defined above, for the academic years 97-98 to 01-02, mark the box below and skip to *Section IV General Comments*.

☐ MY OFFICE DID NOT PARTICIPATE IN **government relations** FOR THE ACADEMIC YEARS 97-98 TO 01-02.

1. Mark the boxes for the academic years your office participated in **government relations** and estimate the percentage of work for this activity that your office outsourced for each academic year.

Mark the years that outsourcing partners for this activity were chosen either by you or another staff member within your office and the years they were selected

by an individual outside of your office. Select both c and d below if both apply for a particular year.

Government Relations	97-98	98-99	99-00	00-01	01-02
a. Participated in this activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Estimated percent of work for this activity outsourced	_____ %	_____ %	_____ %	_____ %	_____ %
c. Outsourcing partners were selected by staff in my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Outsourcing partners were selected by an individual outside my office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. List a unique abbreviation for up to the five most important outsourcing partners (agencies, consultants, free-lancers, etc.) your office used for **government relations**. If you use the same partner for more than one activity, please be consistent with abbreviations across activities.

Enter the total number of years that your office has worked with each partner on **any** public relations or communications activity, and mark the academic years that your office used each partner for **government relations**.

Partner	Total Years	Used in 97-98	Used in 98-99	Used in 99-00	Used in 00-01	Used in 01-02
a.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. If your office used more than five partners during the academic years 97-98 to 01-02 for **government relations**, list the total number of partners that your office used.

Total outsourcing partners from 97-98 to 01-02 for **government relations**:
 _____ partners

4. Indicate the typical importance of work performed for **government relations**, for the 97-98 to 01-02 academic years, to your office's overall public relations and communications efforts.

Very unimportant **Average importance** **Very important**
☐ ☐ ☐ ☐ ☐ ☐ ☐

For items 5-14, mark the box that best describes to what extent each statement typically applies to work performed for **government relations** between the 97-98 and 01-02 academic years.

Statement	Not at all			To some extent	To a large extent			n/a
5. To perform this activity, new procedures were put in place.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. New assets (e.g., physical assets, software, subscriptions, etc.) were purchased to support this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The central administration was frequently consulted to clarify expectations for this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Multiple methods were considered or attempted before selecting the actual procedure used to perform this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Significant changes were made to either the size or scope of this activity during this period.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. People or resources from other departments within our institution performed significant portions of the work on this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Employees working on this activity complained about not knowing what they were expected to do.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Reporting relationships were changed to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. It was easy to determine the success of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. People were hired or fired to facilitate performance of this activity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

State and Federal Government Relations Academic Year 2001-2002 ONLY

Items 15-18 deal with work performed for **government relations** in the academic year 01-02. Mark the box that best describes how much you agree or disagree with each statement in regard to work performed for **government relations** in the academic year 01-02.

If your office **did NOT** participate in **government relations** in the academic year 01-02, skip to question 19 below.

Statement	Strongly Disagree			Neutral			Strongly Agree			n/a
15. Individuals involved in this activity worked together effectively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Funds allocated to this activity were spent poorly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Projects for this activity were usually completed in an appropriate amount of time.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. This activity was effective in reaching its goals and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

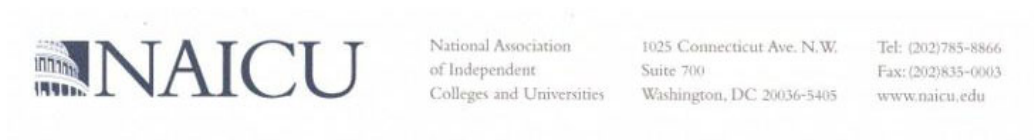
19. If you want to include more information about your answers for **government relations**, use this space to clarify any of the answers given for this activity.

SECTION IV. GENERAL COMMENTS

If you desire to make any other comments about this survey or the outsourcing of public relations and communications work at small to medium-sized private colleges, I would welcome them. Either use this page, attach additional pages, or e-mail me directly.

Thank you for completing the survey.

Appendix C. NAICU Letter Recommending Study Participation



September 12, 2002

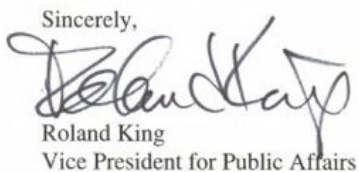
Dear Colleague:

Kevin Dickson is a doctoral candidate studying the outsourcing of public relations and communications services at small- to medium-sized private colleges and universities. His research attempts to determine the situations in which outsourcing of public relations and communications work is most effective at these institutions. Kevin is completing this study for his dissertation as part of his Ph.D. at the University of Texas at Austin.

As a colleague in higher education public relations/communications, I both appreciate and support public relations research—an essential tool if we are to serve our institutions effectively. I am confident that the outsourcing study will benefit independent colleges and universities, particularly at a time when we must allocate our limited resources more carefully than ever.

This survey provides an opportunity for advancing our knowledge in this important area, and I encourage you to complete the survey.

Thank you in advance for your participation.

Sincerely,

Roland King
Vice President for Public Affairs

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Vita

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